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NEWS SUMMARY

GENERAL Iran shelves death sentence Ayatollah Khomeini, the Iranian revolutionary leader, halted all executions until further notice.

Zia arrests 150 More than 150 people were jailed or placed under house arrest within hours of President Zia ul-Haq's shelving of the Pakistan general election and dissolution of political parties.

Nobel poet Greek poet Odysseus Elytis, whose pen name is Odysseus Elytis, received the Nobel Literature Prize.

Councils warned Government will handle council house sales where local authorities refuse to delay transactions.

53,000 exiled More than 53,000 Kampuchean refugees have been driven into Thailand in a week of fighting.

Moro extradition Lecturer Franco Piperno was extradited from France to Italy to face charges in connection with the murder of former Prime Minister Aldo Moro.

Church report Physical expression of homosexual love can be justifiable and the age of consent should be reduced to 18.

Colleges threat Planned increases in overseas students' fees threaten some universities with closure.

Jagger ruling Bianca Jagger lost her legal battle to have her divorce suit against Rolling Stone Mick Jagger heard in the U.S.

£77,000 for boy Seven-year-old boy hurt in a 1972 car crash while in his mother's womb was awarded \$150,000 (£77,000) damages in Melbourne.

Briefly... Prison staff are being asked to help identify a handless murder victim thought to have served a jail sentence.

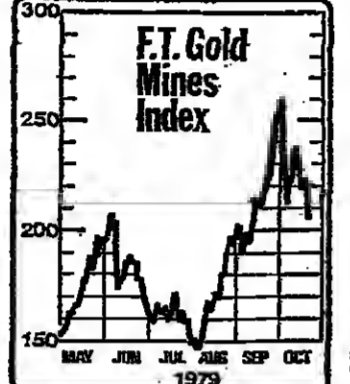
CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated) RISES: Southern Rhodesia 136 + 9

Constitution agreed as Patriotic Front makes concessions

BY BRIDGET BLOOM AND MICHAEL HOLMAN

All-party agreement on a new constitution for Rhodesia was reached last night when the Patriotic Front told Lord Carrington that it had dropped its main reservations on the draft British document.

The Front's agreement will be made known formally this morning when the guerrilla alliance returns to the conference table at Lancaster House after an absence of a week. The decision by Mr. Joshua Nkomo and Mr. Robert Mugabe, co-leaders of the Front, means that the conference can move on to discuss pre-independence transitional arrangements in full session.



Unions in new talks on Times

By Christian Tyler, Labour Editor

THOMSON executives were last night anxiously considering the outcome of a meeting with print union general secretaries before taking a decision that will decide the fate of The Times and the Sunday Times.

Thatcher sets date for decisions

BY ELINOR GOODMAN, LOBBY STAFF

MRS. MARGARET THATCHER, in her strongest attack yet on the unfairness of the present EEC budgetary system, said yesterday that Britain was looking for decisions at the two-day European Council meeting on November 29 and 30.

Howe asks bank chiefs for help on money limits

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, last night asked the banks to adapt their lending policies to fit the official monetary targets and requested them to explain the implications of the policy to their customers.

Report sees four options

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission has completed a confidential report on the four basic ways it believes Britain's disproportionately large share of the European Economic Community's budget costs could be reduced.

CBI fund may go to tax haven

BY JOHN ELLIOTT AND JOHN MOORE

THE Confederation of British Industry is considering basing its proposed employers' strike insurance fund in an offshore tax haven, such as the Cayman Islands, in order to avoid UK taxation on the proceeds of its investments.

CONTENTS Indo-China: real politik and suffering 24 Politics today: getting the State out of cold storage 25

Hillier Parker's eye on the world This once popular form of male retreat has now unhappily been made obsolete by excessive building and health regulations.

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EUROPEAN NEWS

British Caledonian plans low-fare European network

Air chaos threatens in Italy

BY OUR BRUSSELS STAFF

BRITISH CALEDONIAN Airways is shortly to unveil plans for an ambitious network of low-fare services across Europe. Tickets will be bookable and there will be no conditions.

The independent UK airline will announce in Brussels next Monday details of cheap, no-frills scheduled services to

20 European cities as well as what it describes as "drastic discounts" on its existing routes between Gatwick and Brussels, Paris and Amsterdam.

The airline's move comes shortly after Sir Freddie Laker's announcement that Laker Airways is planning a low-fare network of 35 Euro-

pean destinations. But because Sir Freddie's scheme is dependent on his winning the right to fly major routes between continental capitals, British Caledonian's network between Gatwick and European cities is expected to come into service sooner.

British Caledonian hopes that negotiations on the new

routes between the Department of Trade and other European governments will be concluded in time for the new "Mini-prix" service to start next spring.

The announcements by British Caledonian and Laker Airways are expected to be followed soon by comparable plans for low-fare European

services from Britannia Airways and the newly formed Air UK group.

The push for new routes that will compete with the scheduled services of national flag carriers coincides with proposals by the European Commission in Brussels that air services be opened up to new competitors.

Earlier this week, British Airways and Air France revealed a £43 London-Paris fare that is £4 cheaper than the present lowest scheduled fare, but British Caledonian will be undercutting that substantially and Sir Freddie Laker has promised to match it with a fare that could go as low as only £21.

By Paul Betts in Rome

THE ITALIAN Government held emergency talks last night to try to defuse an air traffic controllers dispute which could severely disrupt air travel in and over Italy from today.

The controllers, all of whom are air force personnel who volunteer for traffic control, have requested other duties. They are demanding civilian status since their air force wages are far lower than those of civilian personnel and controllers in other countries.

They are also claiming the right to strike which is denied them because of their military status.

If they resign, they could paralyse all air traffic in Italy and cause acute problems for the 90 international airlines which fly over the country.

The authorities said yesterday they did not expect all the controllers to stop work today, but the situation could deteriorate sharply if an agreement were not reached soon. They have already warned international airlines that their operations could be reduced by about 25 per cent from today.

Siz Luigi Preti, the Transport Minister, confirmed last night that the Government intended to present a Bill to demilitarise air traffic personnel, but such a measure would take time. The matter has been complicated by disagreements between ministers and the civil and military authorities.

Brussels air routes dream still far from realisation

BY GILES MERRITT IN BRUSSELS

SLASHING EUROPEAN air fares would be one of the few truly popular acts of the Common Market Commission in Brussels. In its present battered condition, beset by internal problems and suggestions that it is a "lame duck", the Commission badly needs political capital.

Yet plans by British Caledonian for a new "no frills" European network, or those mooted by Sir Freddie Laker for Euro-skytrains, have comparatively little to do with the Commission's own drive for a radical re-think of Europe's air services.

Ironically, British Caledonian's attempt to loosen the grip of the national flag carriers on European routes underlines the strength of the existing system and shows that the Com-

mission's dream of a Community network is still far off.

To receive authorisation for the new low cost services that British Caledonian wants to operate to 20 European cities, the British Department of Trade will have to negotiate bilateral agreements with other Governments on the airline's behalf. It is precisely the arrangement of interlocking bilateral deals between European countries that Brussels aims to break. It sees the easy relationship between EEC Governments, each of which more or less owns its own national airline, as monopolistic and therefore responsible for high fares and limited service to the travelling public.

The Commission circulated airlines and Governments last July with a memorandum setting out the concept of multi-

lateral air route agreements which it favours. The fundamental point is that once negotiations are taken out of the tight control of individual governments, it will be the Commission that exercises overall authority. But the objectives set out in the memorandum, starting with better services and cheaper tariffs and moving on to the opening up of the air transport system to new operators, are laudable enough. To sugar the pill, the Brussels document also holds out the prospect of financial aid for new aircraft purchases and the elimination of barriers that hoist airport and operating costs.

There is also steel in the Commission's memo. For Brussels has the weight of the competition rules enshrined in the

Treaty of Rome to fall back on. If Europe's national airlines were all making a healthy profit there would be little room for argument. They are not, and although British Caledonian and Laker Airways insist that by avoiding unnecessary overheads they can operate profitably, the Commission is forced to proceed cautiously.

So far the pressure for an opening up of the European airline business has come chiefly from Britain. Apart from the unresolved question of Denmark's charter giant, Sterling Airways, which against its own Government's wishes has won the legal right to operate a cut-price walk-on service between Copenhagen and London, Laker and British Caledonian are accompanied only by Britannia Airways and the newly

formed Air UK in the fight for new European routes.

If they succeed, however, other European operators are sure to follow. The Commission's view, in any case, appears to be that once its new regime is accepted, private airlines will rush to take advantage of the more relaxed rules. The EEC Transport Commissioner, Mr. Richard Burke, of Ireland, has hardened the tone of his proposals recently. In addition to championing the shake-up that would mean low fares, he has even talked of a compensation system for passengers who have been overbooked.

All is, nevertheless, far from plain sailing. Sir Freddie Laker visited Brussels this week to explain to Mr. Burke how his scheme for using A-300 Air-

buses to service 35 European cities would work. By all accounts Mr. Burke listened politely but was less forthcoming than might have been expected.

The reason is that Sir Freddie's plan involves the exploitation of what in airline jargon is known as the "fifth freedom". Under the terms of the Chicago Convention that freedom entitles carriers of given nationality to fly between countries with which it has no connection. Air India's London-New York service is a rare example and the betting in Brussels is that any Laker attempt along those lines would be blocked on the grounds that it was so radical as to endanger the Commission's more modest new deal.



Nobel prize for poet

By John Walker in Stockholm.

THE 1979 Nobel prize for literature was awarded yesterday to the Greek poet, Odysseus Elytis. To his countrymen, Elytis, aged 68, is known as "the poet of the Aegean sea."

The citation of the Swedish Academy said his poetry, written against a background of Greek tradition, depicted "with sensuous strength and intellectual clearheadedness modern man's struggle for freedom and creativeness."

Elytis, whose real name is Odysseus Alepoudhelis, was born in 1911 at Herakleion in Crete. After growing up in Lesbos, he moved to Athens.



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U.S. bid to head off EEC fibres curbs

BY GILES MERRITT IN BRUSSELS

IN AN effort to prevent special EEC duties being levied on imports from the U.S. of synthetic fibres, Washington is to submit a detailed dossier on U.S. price levels to the European Commission next week.

The move follows disclosures that the Commission is considering measures that could include duties of up to 30 per cent to stem the flood of U.S. man-made fibres and petrochemical feedstocks into Community markets.

The surge of U.S. exports of these products results from the Carter Administration's price controls on oil and gas and from the depreciation of the dollar.

Exports of synthetic fibres from the U.S. to the Community have risen dramatically this and major inroads have been made in the British and Italian markets.

Overall U.S. exports of man-made fibres were only \$20m in 1977, and in the first half of 1979 reached \$200m. The trend has accelerated during the second half of this year.

U.S. officials in Brussels concede the seriousness of the position and privately recognise that there is a strong chance of the Community being forced to impose countervailing duties.

Last month, following strong political representation by a number of EEC Governments, Washington claimed that the

two-tier oil price advantage gave U.S. synthetic fibre producers a maximum gain of only 1.3 per cent of certain products. That assessment has now been substantially revised.

When Mr. Robert Hormats and Mr. Michael Smith, the Carter Administration's two trade representatives, visited Brussels last week they indicated that new calculations show the price advantage to be around 10 per cent. This is still below the level claimed by European producers, who put it between 15 per cent and 30 per cent, depending upon product.

The latest U.S. dossier is to be presented to the Commission in advance of the October 29 meeting of the Council of Ministers which is to consider action. It will probably be accompanied by a negotiating team empowered to discuss the precise schedule that Washington has prepared for decontrolling energy prices product-by-product.

The U.S. argument is understood to be that if the price advantage of cheaper energy and petrochemicals can be removed from man-made fibres in the comparatively near future, then it would be unnecessary for the EEC to risk triggering a trade war by imposing special duties.

Barre goes to hospital for general check-up

BY ROBERT MAUTHNER IN PARIS

FRANCE'S Prime Minister, M. Raymond Barre, was admitted to hospital yesterday for a general medical check and has cancelled all official engagements for the weekend.

The Prime Minister's spokesman said that M. Barre had not been taken ill suddenly, but had been feeling generally unwell and tired for the past few days. Although there was no particular cause for alarm, his doctor had advised him to have a general check to establish what was wrong. A bulletin would be

issued as soon as the examination was complete.

M. Barre has had a heavy programme since the beginning of the week. He has taken part in official talks, late-night dinners and ceremonies for the visit of Chairman Hua Guofeng of China and has attended Cabinet and other meetings, as well as the budget debate in the National Assembly. During recent weeks M. Barre has had a series of long and arduous talks with trade union and employers' leaders.

Chirac attacks French budget as inadequate

BY ROBERT MAUTHNER IN PARIS

M. JACQUES CHIRAC, the leader of the Gaullist RPR party, has strongly attacked the Government's budget for 1980, which he claimed was entirely inadequate to deal with the present international and domestic economic situation.

M. Chirac, who has played the role of Trojan horse ever since his resignation as President Giscard d'Estaing's first Prime Minister in 1976, made no concessions to the fact that the coalition Government includes several prominent Gaullist ministers and depends on the parliamentary support of the RPR party.

In the National Assembly budget debate he castigated M. Raymond Barre, the Prime Minister, for failing to promote investment, thus preventing industry from adapting itself in an organised manner to the new conditions caused by the sharp rise in oil prices.

Falling an effective investment policy, M. Barre was doing no more than "administering unemployment," the Gaullist leader said. The Government's target for 1980 of an increase in gross national product of no more than 2.5 per cent could lead only to an aggravation of unemployment.

The unproductive and inflationary transfer of resources in the form of unemployment benefits would grow dramatically, he said.

M. Chirac rejected the Prime Minister's argument that the main reason for France's current economic difficulties was the large increase in oil prices since the end of last year. Expressed in constant francs, the cost of one tonne of oil imported into France today was still slightly less than it was in 1974, at the time of the first sharp rise in oil prices.

For a period of three years France had benefited from a fall in the real cost of imported energy and the main raw materials, but had failed to make use of the opportunity to expand the economy.

Among the measures to stimulate investment advocated by M. Chirac were: an increase in depreciation allowances and the greater availability of soft loans.

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FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates: \$380.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

EUROPEAN NEWS

France extradites Italian to face Moro charges

BY RUPERT CORNWELL IN ROME

SIG. FRANCO PIPERNO, the Padua University physics lecturer and a leader of the ultra-left "autonomist" movement, was yesterday extradited to Italy from France to face charges in connection with the kidnap and murder of former Prime Minister Aldo Moro.

The general expectation now is that a separate extradition request by the Italian authorities for Sig. Lanfranco Pace, another autonomist leader held in France, will also be granted next week.

Union pact on French austerity in doubt

By Terry Dodsworth in Paris

THE FUTURE of the union pact against the French Government's austerity policy is still hanging in the balance following a week of widespread but somewhat sporadic disputes.

SWISS GO TO THE POLLS THIS WEEKEND

Support waning for smaller parties

BY JOHN WICKS IN ZURICH

IN SWITZERLAND the Press and the boardings are full of propaganda for the weekend's general elections. Some 1,900 candidates are bidding for a total of 243 of the seats in the National and States Councils, the two houses of the federal Parliament.

As always before Swiss elections, there has been some soul-searching among the Social Democrats as to whether they should remain—as the biggest single party in the country—a member of the bourgeois-weighted Cabinet.

The former "xenophobe" parties—the Nationale Aktion and the Republicans—have been unable to find a good new plank in their platform now that the foreign-worker question has become a non-issue.

more acceptable to an electorate whose referendum record has of late also taken a turn in the same direction.

Switzerland goes to the polls this weekend to elect new members in the upper and lower houses of the federal Parliament. Partly because of the improvement in the Swiss economy since the last election in 1975, there are few burning political issues.

Whatever happens in the National Council—which is the equivalent of the U.S. House of Representatives, the Swiss having chosen the American model last century—the States Council (Senate) will definitely remain a bourgeois stronghold.

UK Tory hints at action on lamb ban

BY ELINOR GOODMAN

FORMER LEADER of the Conservative group in Europe, Mr. Geoffrey Rippon, hinted yesterday that Britain might be entitled to take retaliatory action against the import of French agricultural products in the light of the French ban on imported British lamb.

its attitude towards the "illegal French ban on imports of our lamb." This action was "totally unjustified."

Finnish outlook good

By Lance Keyworth in Helsinki

PROSPECTS FOR the Finnish industry over the next six months are reasonably good, according to a survey by the Confederation of Finnish Industries.

Two national elections mean less in Switzerland than in most other countries. The country is, after all, not a parliamentary democracy, but a direct democracy.

Local and Federal referendums, communal and cantonal government, play a very important role in the political life of the Swiss.

The outcome of the selection is likely to be a further weakening in the position of the smaller parties.

Not much change is possible here, certainly not to the extent of turning the States Council into an assembly of a different political hue.

China warns West over Vietnam 'aggression'

PARIS—Mr. Huang Hua, the Chinese Foreign Minister, said yesterday there would be very grave consequences for world peace if the international community permitted Vietnam to enjoy what he termed its aggression in Kampuchea.

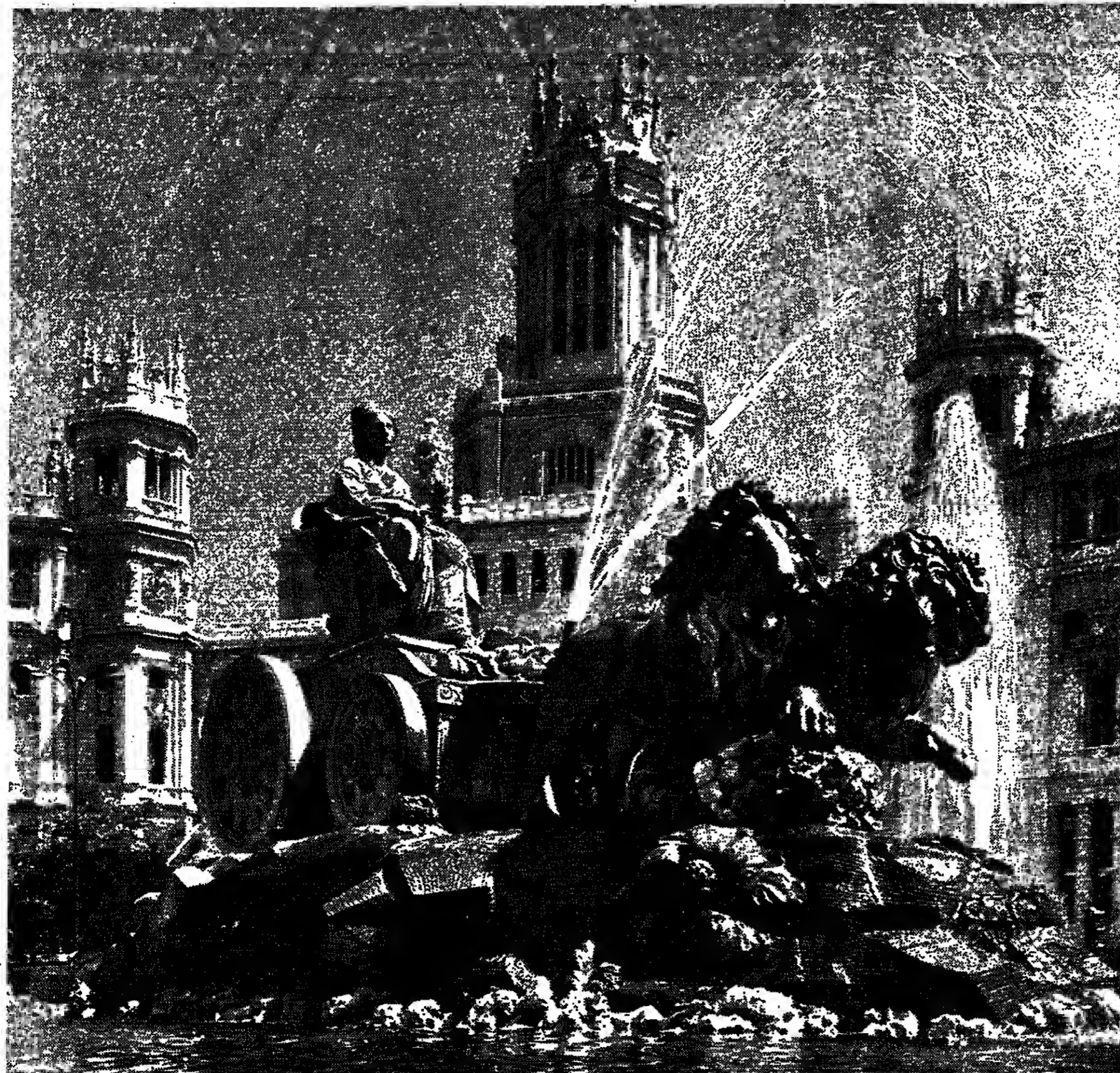
Chairman Hua has had a packed programme of speeches, public appearances, banquets and private talks with President Valéry Giscard d'Estaing.

resting on medical advice. Chairman Hua has had a packed programme of speeches, public appearances, banquets and private talks with President Valéry Giscard d'Estaing.

Therefore a political solution in these circumstances was unrealistic.

But at the same time, he said, Britain should be firm in

Havemann appeals East German Marxist dissident Dr. Robert Havemann is believed to have appealed against an order which has barred him from leaving his home since Sunday.



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Financial market data table with columns for various indices and prices, including FTSE 100, Nikkei, and various commodity prices.



OVERSEAS NEWS

Early rise in Japan discount rate expected

By Charles Smith, Far East Editor, in Tokyo

AN INCREASE in Japanese discount rate within the next month or so appears almost inevitable following recent price and exchange rate movements. Japan's wholesale price index was 12.6 per cent up on the level of the previous year at the end of September after rising by 1.4 per cent during the month. The index seems almost certain to put on another sharp rise during October, reflecting the impact of the weakening yen exchange rate on the prices of imported raw materials. Publication of the October wholesale price figure next month might well provide the Bank of Japan with the justification it needs to raise the discount rate for another rate increase. The sharp decline in the yen's value during the last few days could in itself be seen as a reason for increasing Japanese interest rates, but the Bank of Japan has never yet altered the discount rate solely in response to foreign exchange market fluctuations. Japan's discount rate is currently 5.25 per cent, a phenomenal 6.75 per cent below the U.S. Federal Reserve's discount rate after its latest increase. The gap

between U.S. and Japanese interest rates has been causing an outflow of short-term capital from Japan, although this has not yet shown up clearly in official statistics. Roughly 60 per cent of the \$1.7bn worth of net long-term capital outflow that occurred in September represented an outflow of short-term funds from the Tokyo bond market resulting from the failure of foreign investors to reinvest after the maturing of repurchase agreements. Officials at the Economic Planning Agency believe that funds have continued to flow out of the bond market during October for the same reason. Japanese business leaders have until recently opposed any further increases in discount rate, which was raised twice earlier this year, on the ground that higher interest rates could damage economic recovery. This attitude appears to have undergone a change judging by a statement yesterday from the president of the Japan Chamber of Commerce and Industry, Mr. Shigeo Nagano. He said that the Bank of Japan might have to raise the discount rate to combat inflation.

Botswana test for democracy

By Quentin Peel in Johannesburg. One of the few surviving parliamentary democracies in Africa will be put to the test tomorrow when 300,000 registered voters in Botswana go to the polls in simultaneous presidential and parliamentary elections.

The greatest threat to the ruling Botswana Democratic Party of Sir Seretse Khama, which holds all but a handful of the 32 seats, is not defeat at the polls, but apathy among the electorate, which has voted in ever-decreasing numbers since independence in 1976. Nevertheless, Sir Seretse is facing the most coherent challenge to his rule to date from the leftwing Botswana National Front, whose leader, Dr. Kenneth Koma, is the only other presidential candidate. In spite of enviable economic growth since independence, and buoyant Government revenues, the bulk of the 790,000 population are suffering an economic squeeze. Drought and foot and mouth disease have both hit the cattle industry. A continuing flow of refugees from South Africa, Rhodesia and Namibia has brought with it demands for Sir Seretse's Government to adopt a more hostile attitude towards the neighbouring states. Both sources of discontent have been exploited by the opposition, although Dr. Koma admits that he does not expect to win the present election.

TUNISIA PREPARES FOR ELECTIONS

Bourguiba's vigour masks party failings

By Francis Ghiles and Anthony McDermott

TUNISIANS GO to the polls at the beginning of next month to elect the members of the National Assembly. The difference this time is that they will be given a choice of two candidates for each of the 112 seats. But in practice, this apparent liberalisation will not lessen the domination of the only party, the Destour Socialist, particularly as opposition politicians have decided not to put forward candidates. Overshadowing these events is the improved health of President Habib Bourguiba after six years of often grave illness. It shows in the number of appointments he undertakes daily. On television, he comes across as walking a little woodenly, the chest characteristically thrust out, but alert and following with sharp interest what is going on. It showed, too, in the way he registered his displeasure at the way the party congress was run in September—by dismissing Mr. Abdallah Farhat, the Defence Minister and a key Cabinet member. It showed again in the way he trimmed the influence of Mr. Hedi Nouria, prime minister since 1970 and his constitutional successor, by dismissing two of his closest advisers, Mr. Hedi Baccouche, and assistant director of the party, and Mr. Mahmoud Triki, the head of Tunis-Afrique Presse, the

national news agency. In spite of President Bourguiba's improved health, Tunisia faces the classic dilemma of how to carry on after the founding father has gone. In the view of most observers, the transfer of power to Mr Nouria would be smooth and his control assured as long as the economy does not run into difficulties. Keeping pace But what remains unresolved, and indeed postponed while the President—the Supreme Combatant—is in good form, is the evolution of the Destour Socialist Party into a more broadly responsive organisation, keeping pace with the development of the country and with more obvious appeal to the younger generation. There is a risk that the President's return to health may be used by politicians within the party and in the unofficial opposition as an excuse to avoid deep study of the party's role and its ability to appeal in particular to the young—for half of Tunisia's population is under 20. At the congress, Mr. Bourguiba, now 76, peppered his 40-minute speech with the kind of wit and sharp comments that his fellow Tunisians had forgotten he could wield.



President Bourguiba—showing all his old combative flair.

among the opposition by using words which they took as a hint that the party might be opened to them. There was little real debate during the congress, and in general there is a curious silence about the bloody riots of January 1978 which accompanied a one-day strike called by trade unions leaders and which left scores of dead in the streets of Tunis. The "events," as they are inevitably called, tend to be interpreted now as a crude bid for power led by Mr. Habib Achour, the then head of the congress of trade unions (UGTT). He was later sentenced to 10 years in prison, but on August 3 was released to house arrest. There is little doubt that one of Mr. Achour's motives was to prove that the UGTT was a more influential and powerful organisation than the party. But the background of the riots indicated that the young, the unemployed and the underemployed (the current rate is about 13 per cent of the active population) were ready material for disorder. The authorities today face no open challenge. This is partly because the most obvious opposition, social democrats like Ahmed Mestiri, Bejj Caid Essebsi (both ex-interior ministers), and Hassib Ben Ammar (an ex-defence minister) have all in one way

or another served in the Destour Socialist party or the Government and are all "Bourguiba's boys." The weakness of the ruling party is not to recognise that in Tunisia's liberal political atmosphere men of such calibre have a contribution to make. The opposition's weakness is that, beyond being more flexible, they do not appear to offer a real alternative to attract the youth. An admission In the end, change is impossible because Mr. Bourguiba's commitment to his party is sentimental as well as political—from the establishment of the first cell in 1934 until today. To permit the emergence of another party would be admitting that the Destour Socialists have not kept up with the times. Potential challenges remain. There are 150 political prisoners and one has died under torture. Tunisians caught recently printing and circulating a clandestine trade union paper were condemned to heavy prison sentences. The trade union congress under its new head, Mr. Tijani Auid, has been purged of its pro-Achour leaders, but many of his supporters remain in the lower ranks.

Egypt sees a need for another summit

By Roger Matthews in Cairo

EGYPT believes that a summit meeting with the U.S. and Israel will have to be held, probably next March or April, if there is to be any real progress on Palestinian autonomy for the occupied West Bank and Gaza. Dr. Mustapha Khalil, the Egyptian Prime Minister, said in Cairo yesterday before leaving for Vienna and London, that such a meeting with President Carter, President Sadat and Mr. Menahem Begin would not be necessary until deadlock was reached. While in London Mr. Khalil will hold talks with Mr. Robert Strauss, the U.S. special envoy, and Mr. Yusef Burg, the chief Israeli negotiator. The three men are expected to concentrate on ways of setting up a Palestinian authority and Dr. Khalil is certain to voice again his strong opposition to Israeli settlement policy in the West Bank and Gaza. President Sadat's approach to the negotiations is dominated by his desire not to allow anything to upset the return to Egypt of the Sinai peninsula. Accordingly the president has been discouraged from trying to widen the negotiations at this stage to include either the Palestinians or Jordan and is understood to be well pleased with the role being played by the U.S. Mr. Sadat will, however, be looking for more vigorous U.S. participation next spring when the key issue of the political

powers of the Palestinian administrative body will have to be hammered out. While in Vienna Mr. Khalil will be discussing details of the \$1.5bn telecommunications contract that has been won by a consortium formed by Siemens of West Germany, its Austrian subsidiary and Thomson CSF of France. The consortium has agreed to provide total financing for the deal but the final package still has to be completed. Mr. Khalil, who is taking with him 12 under-secretaries from different ministries, is expected to have at least two sessions with Chancellor Bruno Kreisky that will cover both diplomatic and economic topics. Mr. Kreisky has played an important role in establishing contacts between Egypt and Israel and is now understood to be concentrating his efforts on major investment projects. Mr. Khalil is also due to meet Mrs. Margaret Thatcher in London, but there is no indication whether the fate of the Arab arms industry based in Egypt and in which British companies have an important stake will be on the agenda. Since the withdrawal of the three Gulf Arab states from the Arab Organisation for Industrialisation, work on producing the Westland Lynx helicopter has come virtually to a halt and Egypt has yet to indicate how it believes the project, originally worth more than £400m can be funded.

U.S. initiative on Lebanon

By Ihsan Hujazi in Beirut

A UNITED STATES diplomat will be visiting Beirut soon as part of a Middle East tour to help promote a United Nations programme to stabilise the ceasefire in southern Lebanon. Mr. Philip C. Habib is expected in Beirut within 10 days. He will stop in Paris and the Vatican before starting his mission which will also take him

to Syria, Jordan, Saudi Arabia and Israel. It is believed the UN programme calls for withdrawal of Palestinian guerrillas and Israeli-backed militias from the zone controlled by the UN Interim Force, increasing the UN force's strength and deploying Lebanese army units in the zone.

Malaysia cuts export tax

By Wong Sulong in Kuala Lumpur

THE MALAYSIAN Government yesterday announced wide-ranging tax cuts, including reductions in the export duty on rubber, tin and pepper. Exporters are expected to save 300m ringgit (\$81.2m). Tengku Razaleigh, the Finance Minister, presenting the 1980 budget, told Parliament that the country had enjoyed a boom year for commodities. All the five major export commodities—rubber, tin, palm oil, timber and crude oil—experienced price increases and bigger export volumes. Government revenue for 1979 was expected to grow by 16 per cent to 10.22bn ringgit, and real

economic growth was estimated at over 8 per cent. The Minister said a new concept of cost-plus would be used in commodity taxation. Production cost would be taken into account and the maximum marginal export duty on any commodity would not exceed 50 per cent. Tengku Razaleigh said that in 1980, given the discouraging international outlook, real gross national product was expected to slow down to 6.5 per cent. Budget strategy was to use public sector spending to stimulate growth. Accordingly Government expenditure would increase by 18 per cent to 17bn ringgit.

Hanoi warning for Thais

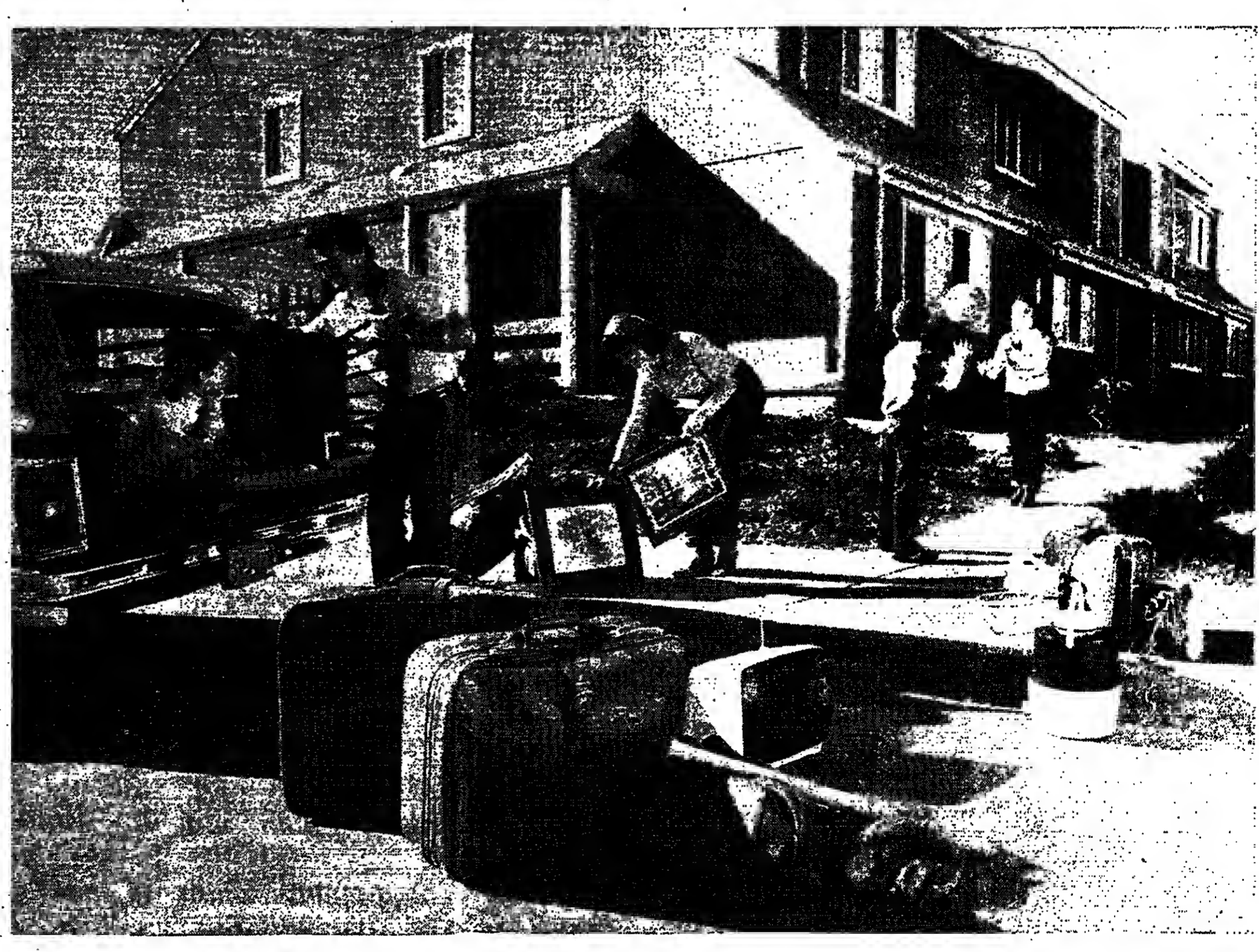
By Richard Nations in Bangkok

HANOI yesterday sharpened the edge of its propaganda campaign against Thailand. It accused some people in power in Bangkok of wishing to transform the country into a "combat base" for China and the U.S. This toughening of Hanoi's political line coincides with Thai diplomatic moves in the United Nations for adoption of a resolution on Kampuchea, as well as with renewed fighting along the Thai-Cambodian border. The unsigned commentary in

the Vietnamese Communist Party paper "Nhan Dan," usually a vehicle for expressing high level policy shifts, warns the countries of south-east Asia of the serious consequences which would arise from their siding with China. Observers read this as a clear signal of Hanoi's displeasure with Thai diplomacy rather than as an attempt to justify subsequent Vietnamese incursions into Thailand to get behind Khmer Rouge strongholds along the border.

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Barclays Bank International has just helped Laing, one of the world's leading builders and developers, expand its business in the United States by obtaining government aided-housing contracts. We supplied finance for Laing Properties Inc. of Atlanta to build family garden apartments at the city of Orangeburg, South Carolina. Our people in Atlanta were on hand with the advice, the banking services, and the money. Barclays were able to help Laing in Atlanta because we have our own people and our own branches worldwide wherever they are needed for international business. We can help you in New York, Hamburg, Tokyo. In Los Angeles and Sydney. And in Vancouver, Buenos Aires and Bahrain. The Barclays International group is in more than 75 countries spanning five continents. We help most of the world's successful international companies. Somewhere there is a market where we can help you.



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FINANCIAL TIMES BRAZIL THE OUTLOOK FOR THE 1980S CONFERENCE

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Financial market data table with columns for various indices and exchange rates.

WORLD TRADE NEWS

# W. Germany prepared to increase China credits

BY ROGER BOYES IN BONN

THE WEST GERMAN Government is prepared to extend its guarantees of export credits to China beyond the present level of about DM 2bn (£520m). This was made clear by West German officials yesterday, less than a week before the Chinese leader, Chairman Hua Guofeng, is due to visit Bonn on the next stage of his European tour.

The cabinet discussed the matter and decided that, as China's foreign debts remained relatively modest, there was considerable scope for extending credit guarantees. The Government, however, is unwilling to set exact guarantee limits and will consider each case on its merits.

The Government has indicated that broad-based export credit guarantees would be considered for steel and energy-related projects. This reflects West German estimates that—despite investment cutbacks especially in steel—China will have \$42bn to invest in improving its economic infrastructure this year. About half of this is expected to go towards heavy industry.

There are some major West German deals pending with China, both in the heavy industrial and energy fields, but it is not clear whether the flexibility on credit guarantees will be enough to clinch the contracts.

A West German consortium, including Krupp and Orenstein und Koppel, have already signed

a protocol providing for the supply of six shaft and two open-cast mines and a production line for mining machinery worth \$4bn. Schloemann-Siemag, at the head of another West German consortium, has, meanwhile, been preparing feasibility studies for China on the construction of a vast integrated steel works, which could be worth as much as \$14bn.

West Germany is China's most important West European trading partner, and exports to China, in the first half, rose by 35 per cent to DM 1.34bn compared with the first six months of 1978. The emphasis is on steel, ships, motor vehicles, pipes, and chemicals, while imports from China are mainly agriculturally-based.

points of these dollar value increases were due to depreciation of the dollar but added that the increases "in real terms are quite substantial".

The trade balance moreover was moving even deeper into the red in the first months of 1979. Exports were off 7 per cent in the first quarter to \$2.28bn while imports declined only marginally to \$3.48bn, leaving a record \$660m deficit, the report said.

# Bigger trading deficit forecast

WASHINGTON — The United States Central Intelligence Agency says that China's world trade increased sharply last year but capital equipment purchases this year "probably will not resume the frenzied pace of 1978".

In a report on China's international trade, the CIA said a "somewhat more cautious attitude towards imports is evident" after AS1.5bn (£695.89m)

trade surplus in 1977 swung to a \$255m deficit in 1978.

The CIA said China's post-Mao economic revitalisation efforts were clearly demonstrated by the country's trade expansion in 1978.

"Our estimates indicate that exports increased by 24 per cent over 1977 to \$10bn while imports surged by 56 per cent to \$10.3bn.

The CIA noted that perhaps as much as 10 percentage

of these dollar value increases were due to depreciation of the dollar but added that the increases "in real terms are quite substantial".

The trade balance moreover was moving even deeper into the red in the first months of 1979. Exports were off 7 per cent in the first quarter to \$2.28bn while imports declined only marginally to \$3.48bn, leaving a record \$660m deficit, the report said.

# Peking interest in Tokyo Round

BY MAURICE SAMUELSON

CHINA HAS recently shown an interest in signing the Tokyo Round of International Trading Agreements many of which come into force on January 1, 1980.

The Chinese made their interest known during the negotiations in Geneva which have rounded off six years of talks held under the auspices of the General Agreement on Tariffs and Trade (GATT). It is the latest sign of China's growing trade links with the West.

Details of the Tokyo Round negotiations were published yesterday as a White Paper by the Trade Department. Mr. Cecil Parkinson, Trade Minister, said the agreements, hammered out since 1973, not only provided for substantial reductions in tariff and non tariff barriers between the UK and her major

trading partners, but also laid down new procedures for resolving problems in international trading relations.

As the White Paper points out, however, no agreement was reached on safeguard actions by countries against increased quantities of imports which disrupt domestic industry.

The US and other developed countries want improved procedures within the GATT before safeguard action could be taken. The EEC wants selective safeguard action against individual countries and not necessarily against all GATT members.

The US has already passed legislation approving the agreement, and the EEC Council of Ministers is due to approve it at the end of October. Japan's

endorsement may be delayed, however, because of the election reversal of the Ohira Government.

The main features of the Tokyo Round are:

- Phased cuts in the industrial tariffs (averaging almost a third) of the EEC's main industrialised trading partners, matched by equivalent reductions in the EEC's common external tariff;
- Lower tariffs and other barriers for agricultural products;
- An agreement on tariff and non-tariff barriers to trade in civil aircraft;
- An agreement on subsidies and countervailing duties (designed to counteract other countries' subsidies).

# Top-level UK energy group visit to Moscow

By Anthony Robinson

A TOP-LEVEL delegation of British energy experts, led by Mr. Norman Lamont, Parliamentary Secretary of State for Energy, is going to Moscow next week.

It will take part in an energy symposium, sound out the prospects for British-Soviet co-operation in energy matters and try to obtain a clearer picture of Soviet energy prospects in the 1980's.

The Soviets have long expressed an interest in British offshore oil exploration and coal gasification technology, but up to now co-operation has been limited mainly to straight trade deals such as the Cobrow consortium's £100m gas compressor contract and the sale of pumps and ancillary oil field equipment.

But decisions are now being taken on the shape of the next five-year plan, in which energy development, conservation and anti-pollution investment is expected to play a major role.

Addressing the Anglo-Soviet Chamber of Commerce lunch in London yesterday, Mr. Lamont emphasised the Soviet Union's important role in the global energy equation and appealed to the Russians to be more forthcoming on their estimates of future energy production and exports as these would have an important bearing on the rationality of future decisions on energy use and investment.

# Japan, S. Korea ready to drill

BY RICHARD C. HANSON IN TOKYO

JOINT EXPLORATION for oil on the continental shelf between Japan and South Korea is to begin later this month with seismic studies in a sub-block off a group of Japanese islands near the southern island of Kyushu.

Japanese and South Korean Government officials met earlier this week to work out remaining technical problems on the joint exploration agreement. These centres mostly on compensation for fishermen, possible pollution and problems of transfers of personnel and equipment between the two countries.

The designated exploration zone is about 82,000 square kilometres large, divided into nine sub-zones in which Japanese and South Korean concessionaires will share the cost of exploration. Test drillings, which cost about ¥2bn (£4m) each, are not expected before the end of this year.

Academic estimates of the amount of recoverable oil in the zone range up to 400m kilolitres. The volume of oil itself is not significant considering that Japan alone needs about 250m kilolitres a year, and that whatever oil is eventually produced will be shared equally with South Korea.

The shelf, however, is considered the most promising area for exploration near or in Japanese territories.

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# British aero sales exceed imports

By Michael Denne, Aerospace Correspondent

THE UK Aerospace industry had a surplus of more than £157m on its balance of payments in the first seven months of this year, with exports of aircraft, engines and equipment amounting to nearly £744m against imports of nearly £586.5m.

# BERLIN'S NEW CONGRESS CENTRE

## Convention trade boosts economy

BY FRANK GRAY, RECENTLY IN BERLIN

WEST BERLIN became the eighth ranking city for international conventions in 1978, and conventions officials here are confident it will climb even higher this year.

This confidence is supported by the busy schedule of trade fairs, conventions and seminars being held at West Berlin's new International Convention Centre, which opened on April 2 this year and which is considered the most modern centre of its kind in the world.

The optimism is reflected in the addition of new and long-overdue hotel capacity, some of which is being opened this year with more planned for the early 1980's.

The man most directly concerned with the city's continued success as a commercial meeting place of international rank is Herr Peter Haupt, the General Manager of AMK-Berlin, the convention centre's managing organisation.

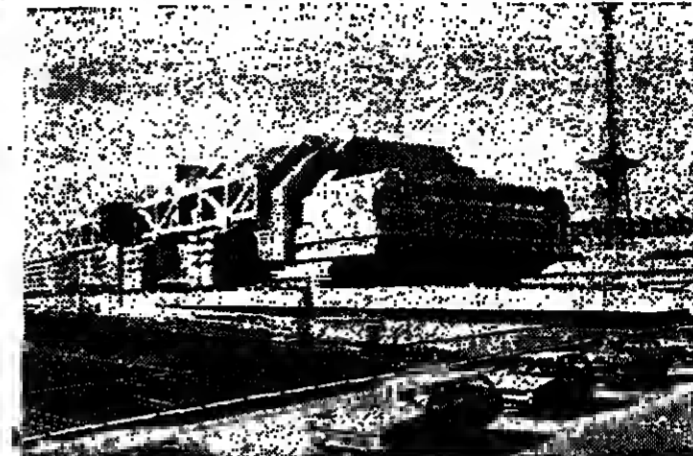
"The allies have always shown the willingness and the power to help Berlin become a modern city," he said recently, "but we have been telling ourselves for years that we, as Berliners, must add something of our own to the attractiveness of the city."

The result was an initiative to build a complex of exhibition halls in the west of the city, to be dominated by the convention centre itself.

This was undertaken against the pessimistic background of the first surge in oil prices by OPEC countries in 1973.

However, the catalyst for the go-ahead was the four-power agreement of 1971, which substantially liberalised access by the West to the city itself as well as between both the East and West sectors.

The cost of ICC-Berlin is



ICC Berlin opened doors last April 2.

A case in point was the recent Overseas Import Fair. Nearly 1,000 companies and exhibitors from 54 Third World nations represented themselves at the fair, seen by more than 4,000 potential buyers, but there was no official representation from an Eastern European country.

"We send out invitations each year," one official said, "but there was no response, and this doesn't surprise us."

The centre maintains its existing clientele and attracts new customers through a kind of old-boy net, maintained by Herr Haupt, who spent 17 years as a convention business specialist with Lufthansa airlines.

Because of the cyclical nature of much convention business, moving from one city to another each year, he is able to "steer" many clients overseas, in exchange for equivalent referral support from those cities.

Some 75 per cent of the city's convention business comes from West German companies and associations, but an increasingly large proportion is coming from overseas, particularly Britain, where ICG Berlin is represented by Spectrum Communications, the U.S., Belgium, the Netherlands, Switzerland and Northern Italy.

One major concern though is the threat to convention trade in the 1980s posed by the current round of oil price rises.

"I do not know how this will affect the business in general," he said. "We are a big consumer of energy. We also depend heavily on airline links—people are not so used to travelling to conventions by rail."

"But we remain optimistic for the 1980s, for we have learned not to work on negative aspects, but on positive aspects."

# Comecon-EEC talks may resume

BRUSSELS — The Common Market has proposed to Comecon that they resume talks next month on a possible agreement between them, it was announced yesterday.

Mr. Wilhelm Haferkamp, External Affairs Commissioner of the EEC Commission, suggested to Mr. Nikolai Fadeyev, the Comecon Secretary-General, that they should meet in Moscow/Moscow November 2-5.

The two sides last met here in May when Mr. Haferkamp told the 10-nation Comecon he could not conclude a full-scale trade agreement with it. The EEC says the Communist grouping does not have the same power as the Commission to negotiate trade matters on behalf of its member states. Reuter.

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UK NEWS

No-one ready to believe it was the end of The Times

BY CHRISTIAN TYLER, LABOUR EDITOR

NO ONE was ready to believe yesterday that The Times and the Sunday Times were doomed, in spite of the collapse of negotiations with the main craft print union shortly after the midnight deadline set by the management.

Indeed, as the directors of Times Newspapers and Thomson International were closed in Thomson House, London, a mood of prayerful optimism was in the air.

The company had scarcely oiled the rates when the NCA team got up and left. The offer was £10,600 a year, rising to more than £11,000 in April; a four-day week of 34 hours, reducing to 32; and six weeks' holiday.

Mr. Dixon said that his men had been offered £204 a week, while Natsopa was securing £207; on the face of it a blatant breach of the differential. The company said the offer was based on a 34-hour week, reducing to 32, and for mostly day work.

At present the shift is 15 1/2 hours, of which three are at overtime rates. The company wants to eliminate those overtime hours.

Mr. Dixon declared that he had offered 15 hours, the papers alive, and his directors to decide whether that impasse is so serious as to warrant closing (they say they will not sell) or put the titles into cold storage and try again, perhaps many months from now.



Mr. Les Dixon, NCA president, leaves the Times offices after the breakdown of the talks.

£1.2m Orkney water project

A £1.2m project will give extra water supplies to the Scapa Flow island of Flotta, in Orkney.

Opencast site is approved

THE NATIONAL Coal Board will open a new site in west Cumbria to help reach its target of 15m tonnes of opencast coal a year.

Minister to rule on council home sales

THE GOVERNMENT will take the sale of council homes to areas where local authorities have either refused or delayed making sales. Mr. John Healey, Housing Minister, said yesterday.

Howell names BNOC temporary chairman

THE GOVERNMENT has appointed Mr. Ronny Utiger as temporary chairman of British National Oil Corporation, in succession to Lord Kearton, who ceases at the end of the month.

Heath urges full role for Britain in EMS

FULL PARTICIPATION by Britain in the European Monetary System (EMS) was urged by Mr. Edward Heath when he delivered the Felix Neubergh Lecture at the University of Colerberg yesterday.

Regnier Stradivari violin fetches £96,000

THE VIOLIN known as the Regnier Stradivari was sold by Sotheby's in London yesterday for £96,000 in the London dealer R. A. Lee.

Insurers sued for £10.8m over oil platform sinking

A SUBSIDIARY of J. Ray McDermott, the New Orleans-based engineering group with large marine construction interests, is suing Lloyd's of London underwriters and a number of insurance companies for £10.8m in unpaid insurance claims.

Agency starts first study of workers' co-operatives

THE Co-operative Development Agency has begun its first study to investigate the feasibility of setting up workers' co-operatives.

Unit trust sales down

DEMAND FOR unit trusts remained relatively unexciting last month, according to figures from the Unit Trust Association.

Charges scheme for planning applications

THE GOVERNMENT aims to recover a very substantial proportion of the £30m a year cost of the present development control system through charges for planning applications.

NEB case is dropped by tanners

THE GROUP of tanners who intended to sue the National Enterprise Board over its investment in British Tanners Products have withdrawn their suit following the collapse of the company.

Consumer spending falls sharply

CONSUMER EXPENDITURE in the third quarter fell back sharply from the artificially high level of the previous three months. However, spending was higher than for any time except the April-June quarter.

Table showing Consumer Expenditure 1975 Prices, Seasonally adjusted. Columns for 1978 (1st, 2nd, 3rd, 4th) and 1979 (1st, 2nd, 3rd). Values in £m.

week after the June Budget which raised VAT to 15 per cent. The heavy sales in that week and weeks of speculative pre-Budget buying, resulted in spending being concentrated in the second quarter which would otherwise have spread into the third.

Precious metal plant opens

A WORLD LEAD in the reclaiming and refining of gold, silver and platinum has been taken by Johnson Matthey Chemicals with the opening of a £6m additional plant at Enfield, North London.

Work starts on £2m hotel

Work has begun on a £2m luxury hotel which is to be built on the outskirts of Peterborough by Saxon Inn Motor Hotels.





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# "We will make electric light so cheap that only the rich will be able to burn candles."

THOMAS ALVA EDISON, OCTOBER 1879

# "We will make electric light so energy-effective that only the irresponsible will continue to burn the world's candle at both ends."

LIGHTING DIVISION PHILIPS, OCTOBER 1979



October 19th 1879.

Thomas Alva Edison succeeded in sealing a horseshoe shaped carbonised cotton filament within a near vacuum inside a small glass globe. When a direct current of electricity was passed through, "it burned like an evening star" and was registered under US Patent No. 223,989 as the incandescent light-bulb.

The 32 year-old genius had not invented electric lighting. He was doing something far more brilliant. He was about to make electric lighting a practical, economic & universally available utility.

### PEARL STREET IS ABLAZE

Massively wasteful electric arc lights had been spitting spectacular voltages through the night skies of Paris and London since the 1860s, gobbling up francs, pounds and watts and temporarily blinding careless beholders. These arc lights were inconceivably big, brutal and too greedy for any parlour or office interior.

Edison's incandescent bulb had none of these faults. And to fulfil its destiny he laboured three further years, following his own precept that genius is 99% perspiration, inventing the lamp-socket, the lightswitch, the electric fuse, the variable output dynamo, the underground power cable, the central power station and the whole concept of an electricity supply system.

Then in September 1882, he threw the switch that set thousands of his 40c 16 candle power bulbs blazing above the sidewalks and in the houses of 85 enraptured pioneer subscribers in and around Pearl Street, New York. He had switched on the world. Electrification would bring industrial development, commercial expansion, comfort at home, safety in the street, a leap forward into the light for all mankind. But could anyone have imagined that there were big shadows ahead?

### BLACKOUT

In December 1973, the lights started going out all over Europe in phased blackouts designed to save the fuel resources threatened by war in the Middle East.

Between then and February 1974, homes, offices, shops, factories, schools and even some hospitals in England found themselves in abrupt darkness for hours at a time.

Electric lighting accounts for only 5% of an industrial nation's energy consumption, but its instant controllability makes it an obvious area of saving, either forcible or voluntary. During the Energy Crisis, thoughtful people looked up and wondered which lamps they could switch off and which lamps might or might not be doing the best possible job with the electricity they were using.

After more than 90 years, the World had stopped taking electric light for granted.

### GOD WILL PROVIDE

In the Victorian heyday of Edison's invention and the Edwardian age and the

flippant Twenties and troubled Thirties that followed, there was no general soul-searching about energy conservation. Coal, and the new fangled mineral oil discovered in Pennsylvania in 1859, were there in abundance. If we wanted more, we could sink shafts 12 miles deep, the experts said, into an Aladdin's Cave full of fuel enough for a million years. God would provide.

The Light-bulb manufacturers, however, didn't feel like that.

Edison Electric Light Co., Philips Incandescent Lamp Works Ltd. (who had joined the race in 1891 in Eindhoven, Holland) and certain other determinedly innovative companies pursued energy-effectivity from the word Go.

They had no clairvoyant awareness of dwindling World fuel resources. They merely knew that their customers received electricity bills and that running-economy was therefore a crucial competitive factor.

In any case, increased efficiency was an inseparable part of the necessary drive towards greater light outputs, reliability and longevity.

### THE FIGHT OF THE CENTURY THE LUMEN v. THE WATT

Just as string is measured in centimetres, so the quantity of light a lamp gives is measured in lumens, and the electricity to run it is measured in watts. The lumen is what you enjoy and the watt is what you pay for it.

Edison's carbon filament lamp yielded only 3 lumens per watt, converting a mere 0.56% of its energy into light. It was a miracle, but it wasn't good enough.

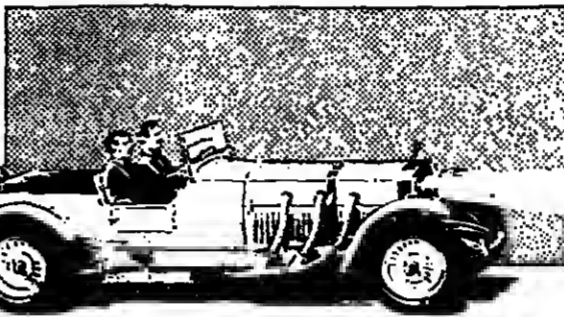
The Philips extruded tungsten filament lamps of 1907 more than doubled efficiency to 1.28% and luminous efficacy to 8 lumens per watt. The drawn tungsten wire filament of 1909 burned as brightly and as cheaply, but was 'unbreakable'. When Philips coiled the tungsten wire and replaced the vacuum inside their lamps with inert argon gas in 1913, output shot up to a dazzling 12 lumens per watt. In 1933, the coiled filament became the coiled coil filament and efficiency zoomed by another 20%.

Special lamps with interior mirrors and reflectors afforded yet higher levels of illumination for display & home lighting purposes - at no extra running cost. And in 1959 a whole new breed of more compact incandescent lamps was born, containing halogen instead of an inert gas, again more efficient, producing up to 20 lumens per watt, twice as long-lived and able to maintain full performance throughout life. As car headlamps, projector lamps, display lamps & floodlights, they shine as none have ever done before. Soon, new compact light sources, with up to 50 lumens per watt, can be expected.

### DAYLIGHT

Meantime, gas discharge lamps which didn't use a filament at all but which produced colossally greater quantities of light for far longer periods with much more economical running costs, were being developed by the same small group of innovative companies. Visitors to The Hague in 1932 were amazed to see each other apparently coloured yellowish-orange from head to foot beneath Philips strange but superbly efficient new sodium discharge street light.

Similarly, mercury discharge lamps shed their white-bluish light



over car passengers speeding beneath them along Europe's highways from 1935 onwards.

Philips SON high-pressure sodium lamp of 1965, so powerful that its envelope has to be made from transparent ceramic instead of glass, achieves up to 130 lumens per watt and produces as many as one hundred and thirty thousand lumens of warm golden light.

Low-pressure sodium, in the ultimate development of the Philips SOX lamp, is about to achieve a World record 200 lumens per watt. It's the ideal energy-effective lamp for public lighting and security lighting, both in- and outdoors.

While the high-pressure Mercury HPI lamp invested with a 'cocktail' of rare metal halides and an yttrium vanadate phosphor interior-coating can light art galleries and TV studios with the nearest commercially available approximation to

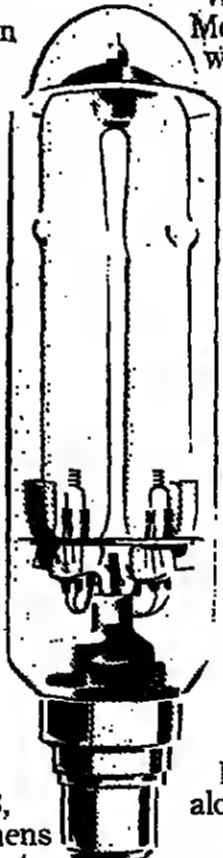
World War, also showed things in strange and harsh colours as a necessary sacrifice to efficiency.

The sacrifice is no longer necessary. Philips produced a fluorescent lamp in 1974 with colour rendering qualities virtually up to art gallery standards, yet which allows users to replace three existing lamps with two new ones, saving something like 33% on energy. (Permitting one store chain, for instance, to cut 12 million kilowatt hours from its power bills.)

Uncontented, last year Philips released the further improved TL D80 range which uses 10% fewer watts but maintains the same high lumen output. Now also with standard colours!

But lamps are only part of the story. Philips Research Laboratories & L.I.D.E.C., the Philips Lighting Design & Engineering Centre at Eindhoven, continue to evolve new and better

Lamp	Light output in lumen	Energy consumption of lamp in watts	Lumen per watt
Incandescent	1280	100	12.8
Incandescent Halogen	1700	100	17.0
Incandescent Halogen Auto	1500	60	25.0
Blended Light ML	3150	160	20.0
Fluorescent TL 80 (38mm)	3400	40	85.0
Fluorescent TL D80 (26mm)	3450	36	96.0
Mercury HPLN	23,000	400	58.0
High-Pressure Sodium SON	25,000	250	100.0
Low-Pressure Sodium SOX	22,500	135	167.0
Metal Halide HPI-T	90,000	1000	90.0



daylight - at an efficiency of nearly 100 lumens per watt. YOU HAVE NOTHING TO LOSE BUT YOUR KILOWATT HOURS

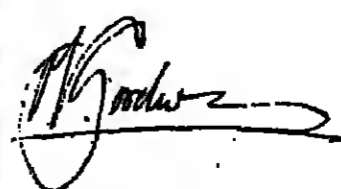
The tubular fluorescent lamps that appeared in 1939, along with nylon stockings and

luminaires, new and better control gear (such as the semi-electronic ballasts that now cut 'lost' wattages by 10%) and new and better lighting systems and techniques. All with the same old relentless drive towards greater efficiency that has been Philips' stock in trade and hope for the future since 1891.

"There will never be a last word in the continuing history of electric lighting. The world's fuel resources may dwindle, but so will the demands we make upon them. The need for more light, and better light, will continue to grow. We shall meet it. The two parts of that equation are not irreconcilable. Our Company's whole history proves that. Right at this moment we have lamps to cut consumption of electricity on lighting in the home by up to 70%, in shops and offices by up to 50%, in amenity and security areas by up to 75% and on motorways by up to 70% - if people want them! More important, these savings can be made while maintaining or improving both the quality and the quantity of light.

"But, of course, we shall not stop there. The second century of electric lighting is beginning. Edison's invention is just getting into its stride and at Philips we will not let

the problems of oil shortage hold us up. We will offer the World the energy-effective light sources & systems it needs!"



M.J.L. GOODWIN  
DIVISIONAL DIRECTOR  
PHILIPS LIGHTING

PHILIPS

1879/1979  
100 YEARS  
ELECTRIC  
LIGHT



In the USA: North American Philips Lighting Corporation, a subsidiary of North American Philips Corporation, Product Trademark Nonelec.

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UK NEWS

JARRATT REPORT PROPOSES 'NEW DEAL' FOR INDUSTRIAL RELATIONS

CBI to debate balance of power

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

PROPOSALS FOR changing the balance of power in industry by introducing new laws on strikes and trade unions...

The group recommends three areas for improving liaison and unity between employers and workers...

ing companies" says the report. Special attention is being paid to six points: 1-Whether the measure of compensation should be based on a daily rate...

the way in which the unions have been singled out over the years for special immunity from the processes of the law.

High tax rates 'damage economy'

By Our Economics Correspondent

BROAD SUPPORT for the view that high tax rates damage the performance of the economy is provided by new evidence in the latest issue of Lloyds Bank Review today.

BL to hear details of consortium's MG bid next week

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE BRITISH consortium man of Aston Martin, who was in London yesterday for discussions with financial institutions...

The general framework of our plan has been worked out very quickly because we feel we must act quickly...

Universities threatened by higher overseas fees

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

SOME UNIVERSITIES were threatened with closure by the Government's plan for 150 per cent increases next year in new overseas students' fees...

'Computer in a briefcase' unveiled

By John Lloyd

A BRITISH-designed "computer-in-a-briefcase" claimed to be the first of its kind, was launched yesterday.

Tesco claims record grocery sales share

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE TESCO supermarkets chain claims it has achieved its highest ever share of the packaged grocery market.

£25m defence order for Plessey

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

Plessey Defence Systems has been awarded a £25m contract by the Ministry of Defence to manufacture the Warcell automatic data processing system for military use.

Peugeot 505

THE LAUNCH of the Peugeot 505 in the UK is next Thursday, out this week as stated in the Financial Times yesterday.

Dan-Air to spend £15m on medium-haul aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

DAN-AIR, the UK independent airline, will spend up to £15m in the next few months on new aircraft, including two Boeing 737 short-to-medium range jets...

Savo to expand electronics product range

By Ray Perman, Scottish Correspondent

SAVO ELECTRONICS of Inverness, which makes metal and mineral detection equipment under licence from the U.S. yesterday moved into a £750,000 factory built by the Highlands and Islands Development Board...

Astbury wins Cannock and Crewe building jobs

Retail stores and warehouse units for Field Estates Company at Bridgton, Cannock, Staffs, valued at £1.6m, are to be built by A. AND R. ASTBURY...

Wool industry 'disenchanted' with EEC trading policy

BY RHYS DAVID, TEXTILES CORRESPONDENT

MR. TOM HIBBERT, chairman of the Wool Textile Delegation, has warned that the industry has become deeply disenchanted with the European Economic Community since Britain joined.

Independent

Various other smaller wool textile trade bodies are likely to be merged into the new association later, but the National Wool Textile Export Corporation, financed by a statutory levy on companies in the industry, will remain independent.

LOS ANGELES SAVE \$65\*

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Our Roundtrip Economy fare to Los Angeles really is \$55 less than anyone else's.

Table with 3 columns: LAKER ECONOMY RESERVESEAT, OTHER AIRLINES LOWEST ECONOMY FARE, YOU SAVE. Values: \$451, \$516, \$65.

Advance Purchase Excursion fare £243 round trip. Standard Skytrain Service £94 one way. Seat availability call 01-828 7766.

When you buy your Rolex from us, we'll make sure it's a special occasion! Watches of Switzerland Ltd. HOROLOGISTS. Rolex logo and watch image.

كازمان التجميل





مكتبة الصحف

How long will it be before petrol prices go up yet again? (Not to mention other motoring costs such as insurance.) Nobody knows—but of one thing you can be sure. Cars that are economical to run are fast becoming the only cars that most people can afford.

The Princess is every inch a luxury car.

# £1.50?

Each of the 6 models in the range has an overhead cam engine, our unique Hydragas® suspension, and more interior room than any other car in its class.

Yet a Princess is surprisingly inexpensive to run. In urban driving, the luxurious new Princess 2000HLS for

example—with manual gearbox—achieves over 27 mpg. That means it's one of the most economical 2 litre cars in town. And the figures for the 1700cc models are even better.\*

This remarkable fuel economy is a product of the Princess's distinctive, wind-cheating shape. Proof that what looks good, is also more efficient.

Not that the Princesses are only frugal with fuel. Inexpensive spare parts mean low insurance premiums. And if your company buys you a Princess 1700HLS you'll find that it falls conveniently below the critical 1800cc tax threshold, incurring no more tax liability than does a 1600cc car.

Most surprising of all, the Princess range starts at £4,232† Which leaves us with a question. Is a Princess an economical car offering unusual luxury—or a luxury car that's unusually economical?



# DRIVING A PRINCESS IS NO LONGER THE LUXURY IT USED TO BE. IT'S A NECESSITY.

\*OFFICIAL GOVERNMENT FUEL CONSUMPTION TEST FIGURES FOR PRINCESS 2000HLS WITH MANUAL GEARBOX (CURRENT LEGISLATION): URBAN 22.2 MPG (20.4 L/100KM); CONSTANT 36 MPH (58 KM/H) 32.7 MPG (25.1 L/100KM); CONSTANT 75 MPH (120 KM/H) 27.7 MPG (20.2 L/100KM). FOR PRINCESS 1700HLS WITH MANUAL GEARBOX: URBAN 29.7 MPG (25.1 L/100KM); CONSTANT 56 MPH (90 KM/H) 35.2 MPG (24.1 L/100KM); CONSTANT 75 MPH (120 KM/H) 28.4 MPG (25.1 L/100KM).

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UK NEWS-LABOUR

Civil Service unions launch attack on staff reductions

BY OUR LABOUR STAFF

THE TWO biggest Civil Service unions are issuing a pamphlet to their members attacking the Government's policy on manpower cuts and urging resistance to them.

power reductions on such a scale and accuses Minister of trying to outdo each other in pushing through cuts.

On the Government's 10 per cent option, it says this will mean reductions of 9,740 in Health and Social Security; 2,890 in Customs 4,290 in En-

Staged deal accepted

By Nick Garnett

UNION NEGOTIATORS yesterday accepted Government proposals for staging a 22-30 per cent pay deal for industrial civil servants.

Doctors and dentists offered revised pay deal worth 26%

BY GARETH GRIFFITHS, LABOUR STAFF

HOSPITAL CONSULTANTS, dental officers and community medical staff in the National Health Service have been offered a revised pay deal worth about 26 per cent and the scrapping of their proposed new style contracts.

emergency fees and the new type of contract. The charges were designed to relate pay more closely to work and responsibilities undertaken by individual consultants and staff.

The review body, set up in 1971 to advise the Prime Minister on doctors' and dentists' pay, says the salary structure has become increasingly complex and its detailed recommendations should be consistent for the various groups.

Senior administrative medical officers' rates go up from £14,175 to £17,637; district dental officers from a range of £7,224-£9,300 to £9,447-£12,218; and area dental officers from £9,711-£11,006 to £12,312-£13,806.

Group Gold Mining Companies Transvaal

(All companies are incorporated in the Republic of South Africa)

Reports of the directors for the quarter ended 30th September, 1979

VAAL REEFS

Vaal Reefs Exploration and Mining Company Limited

Table with 4 columns: Quarter ended, Nine months ended, and two unlabeled columns. Rows include Operating Results (GOLD), Uranium Results, Financial Results, and Development.

SOUTHVAAL HOLDINGS

SOUTHVAAL HOLDINGS LIMITED. The attention of shareholders is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ELANDSRAND

Elandrand Gold Mining Company Limited

Table with 4 columns: Quarter ended, Nine months ended, and two unlabeled columns. Rows include Operating Results (GOLD), Uranium Results, Financial Results, and Development.

S.A. LAND

The South African Land & Exploration Company Limited

Table with 4 columns: Quarter ended, Nine months ended, and two unlabeled columns. Rows include Operating Results (GOLD), Uranium Results, Financial Results, and Development.

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Vauxhall workers ordered to halt secondary picketing

A HIGH COURT judge yesterday ordered a halt to secondary picketing of motor dealers' showrooms by striking Vauxhall workers.

Senior administrative medical officers' rates go up from £14,175 to £17,637; district dental officers from a range of £7,224-£9,300 to £9,447-£12,218; and area dental officers from £9,711-£11,006 to £12,312-£13,806.

The pickets, members of the Transport and General Workers Union and the Amalgamated Union of Engineering Workers from Vauxhall's Ellesmere Port factory, have been in strike for seven weeks in support of a 25 per cent wage claim.

Each showing was attended by senior managers to answer follow-up questions from the 34,000 employees. In the interview, with Mr. Brian Redhead, Mr. Abell forecast that BL would be quickly run down if a significant majority of employees did not vote for the management's restructuring plans.

The injunction named as defendants the strikers' leaders—Mr. John Farrell, convenor, Mr. Anthony Woodley, deputy convenor, and other officials.

Some dealers were not represented in court and do not have the protection of the injunction. Mr. Woodley said later: "We will be taking legal advice but we have said all along that we intend to keep the picket lawful."

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Police help break factory blockade

By Robin Reeves, Welsh Correspondent

A MAJOR police operation was mounted yesterday to allow the Lin-Pac group to take away plastic moulding equipment and jigs from its Rosedale subsidiary at Bedwas, South Wales.

'Patients code' for hospital disputes

By Gareth Griffiths, Labour Staff

GUIDELINES to preserve a "reasonable standard" of care of patients during hospital disputes have been issued by the 215,000-strong Confederation of Health Service Employees to its 800 branches.

Some 200 policemen were on hand as a convoy of hired lorries arrived to load the equipment, which has been blockaded in the factory since the shutdown five weeks ago by a 24-hour picket of the workforce seeking to prevent the closure.

The 15 points will soon be sent to members individually. The union says they will have "status of a binding code."

Incidents surrounding the first evacuation attempt are the subject of a special police inquiry.

The union believes the guidelines will circumvent this possibility.

Mr. Ifor Sibley, the works convenor, accused the police of "helping to break trade unionism in the country."

COHSE, largest union in the National Health Service, is particularly concerned over statements from the General Nursing Council warning nurses that they could face professional sanctions if health, safety or welfare of patients were put at risk.

Following yesterday's operation leaders of the Amalgamated Union of Engineering Workers were accused of failing to give concrete backing to the men

to regard local or national action as "a matter of last resort."

Unions plan action over ICL plant closure plan

BY JOHN LLOYD

UNIONS representing supervisory and technical staff at International Computers have decided on industrial action in protest at the planned closure of the company's plant at Dukinfield, Manchester.

The drughtsman's section of the Amalgamated Union of Engineering Workers—AUEW (TASS)—has also imposed an overtime ban, and has called on its members to block equipment produced at Dukinfield.

The Association of Scientific, Technical and Managerial Staffs, voted at a national advisory council meeting in Birmingham yesterday to call on the company to withdraw its proposals to close the factory next year.

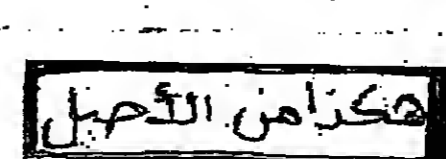
The meeting also decided to ban overtime throughout ICL, to refuse to handle work normally handled at Dukinfield

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTE DEVELOPMENT Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves. The Orange Free State Group's results appear on another page in this paper. Copies of these reports will be available on request from the offices of the Transfer Secretaries. Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 9EQ. LONDON OFFICE: 40 HOLBORN VIADUCT, EC1P 1AJ

EAST DAGGAFONTEIN

Table with 4 columns: Quarter ended, Nine months ended, and two unlabeled columns. Rows include Financial Results, Dividend, and Development.



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## RECYCLING

### Aluminium from old cars

SEPARATION of aluminium and other non-ferrous metals from car shredder residues will be the task of a large plant to be built by Reynolds Metals on the basis of the "dense media" Stamicarbon process developed in Holland.

First plant of its kind in the U.S. and to cost several million dollars it will be on a four-acre site adjacent to the division's Sheffield, Ala., reclamation plant.

The plant will be capable of recovering more than 10m lbs of aluminium during its first year of operation. Robert and Schaefer Resource Service, Inc. of Ring Meadows, Ill., the U.S. licensee of the Stamicarbon process, will provide final engineering design and install the equipment. The process is based on the use of liquids of different specific gravities to classify and separate materials according to their densities. It was first used in Holland for the separation of coal from shale. Later it was employed in separating scrap metals.

Reynolds Recycling and Reclamation will purchase car shredder residue from all over the U.S. The material will be processed in the dense media

plant through multiple steps to remove insulation, rubber, stones and glass from non-ferrous metals and subsequently separate the aluminium from the brass, copper, and zinc.

The company point out that increasing amounts of aluminium are being used in U.S. cars and that its scrap heap "mining" will thus grow in importance.

Reynolds, POB 27003, Richmond VA 23261, U.S.

### Recovery of plastics

RECLAMATION of waste "rubbish" plastic can be made a viable proposition, according to a new, small UK company. Avroton, of Unit 1B, Dryland Street, Kettering (0536-23475) is recycling 100 tons of such rubbish a month, including everything from failed washing-up liquid containers to warped records.

The company says it can split the various types of plastic into separate lots and also separate the dirt and paper, without disclosing how.

## TRANSPORT

### Fewer bundles of wire

FOR YEARS vehicle wiring harnesses have consisted of bundles of wires, held together with braiding or tape.

During the early seventies, Rists introduced the revolutionary "Fibrostrip" process to manufacture harnesses in flat strip format to reduce packaging problems.

For the eighties, the multiplex wiring system from Rists offers a solution to the installation, handling, and complexity problems of today's bulky harnesses. It is based on a more compact electronically controlled system consisting of four parts.

Heart of the equipment is a device in control of the whole system, to transmit and receive digital electronic signals based

on information from the driver's switch panel.

The multiplex harness or "ring main" consists of a power cable, to distribute current to the whole vehicle, and a separate wire, or wires, in parallel with it to carry the electronic signals.

Local control units act under the control of the central controller to switch power from the "ring" to the appropriate components as selected by the input switches, and also communicate with the central unit on the state of health of any of the vehicle's electrical systems. Local harnesses carry current from local controllers to units supervised by them.

Rists, Lower Millhouse Lane, Newcastle, Staffordshire ST5 9ET. (0782 563366).

## ELECTRONICS

### Taking a look into the 1980s

LATEST REPORT from Mackintosh Publications, "Microelectronics into the 1980s" examines the activities and plans of France, Italy, Japan, the UK, the U.S., and West Germany and outlines the future as seen by L. M. Mackintosh himself, R. L. Petritz and I. M. Barron.

The report says that governments are being forced to re-examine their industrial infrastructure and to consider the social implications of microelectronics, at a cost estimated at \$4.5bn—which excludes indirect support arising from defence contracts.

The view of Ian Mackintosh is that in spite of the entre-

preneurial freedom enjoyed by the U.S. the balance of advantage is now beginning to swing away from that country, mainly because of growing skills in Japan and Europe, the concentration of activity into large companies in Europe particularly, and the more likely presence of government aid. Mackintosh goes so far as to predict that "American producers will face problems of daunting magnitude in maintaining their global market share."

Professor Barron's view is that with the presence of more and more memory on the chip a super component will soon appear that is really an "intelligent storage device." He also

believes that the policy adopted in some countries, including the UK, France and West Germany, of encouraging narrow, custom markets instead of concentrating on microprocessors and large-scale storage devices may well not be good enough. He concludes: "The effect of microprocessors on the custom design approach is likely to be so serious that national policies based upon this for the survival or growth of their electronics industries are called into question."

The report is produced in A4 size, is 96 pages long and is priced at £30.

Mackintosh Publications, Napier Road, Luton, LU1 1RG (0582 417438).

## COMMUNICATIONS

### Process the data

FURTHER ADVANCES in its call data recording equipment have been announced by Buzel Telecommunications Services with a system which allows the data to be processed immediately after collection, on site.

Previously the company has either sold, hired or leased portable data recording systems only, the processing taking place at a Buzel computer centre.

To achieve the result the company has added a second DEC LSI-11 microcomputer complete with visual display unit, separate keyboard and printer. Not only is no telephone call

data lost—the user can print or display specific data immediately after the call has occurred. Furthermore, system parameters and report demands can be changed during normal working hours and the production of routine management reports needs no manual intervention.

Latest system can be used with most PABX, PMBX and PAX exchanges and is being further developed to deal with data from modern stored program exchanges. More from 212, Addington Road, Selsdon, South Croydon CR2 5LD (01 657 8855).

Wang is now recognised as the latest worldwide supplier of screen based word processing systems and the second largest supplier of small business computers in North America. It is doing very well in the U.K. too!

Telephone: 01-878 7821

**WANG**

## MATERIALS

### Will solve sticking problems

ROOM temperature curing, two-component, electrically conductive silver epoxy adhesive is a soft paste which can be used with a hypodermic needle/squeeze tube, spatula or automatic dispensing equipment and has a pot life of three-four hours.

Electrical conductivity of Elocit 325 is high. It cures at room temperature in 12 hours, and can also be rapidly heat-cured to yield a volume resistivity of 10<sup>10</sup> ohm/cm.

Excellent for chip bonding in hybrid circuits, hybrid assemblies, wave guide pumping, making connections, patching and connecting heat sensitive components to printed circuit boards, it is available from: Industrial Sciences.

The same group has a "decapulation kit" that dissolves most cured plastics used in the packaging of electronic assemblies. This is invaluable for failure analysis, deplating for repair and retrieval.

Materials removed by the solvents include epoxy, tough cast and transfer-moulded, silicones, varnishes, urethanes, elastomers, coatings and foams. Some are selective solvents and attack only one type of plastic while others dissolve several.

Industrial Science, Leader House, Seargate Street, Dover CT17 9DB. 0344 202656.

### Better than floppy disc

THOSE ACQUIRING Intel's microprocessor development systems can now also have a one Megabit bubble memory board so that they can develop systems making use of this new kind of solid state bulk memory in place of the conventional floppy disc magnetic store.

The bubble board itself contains a micro for storage control purposes. The processor in the development system communicates with the memory controller via a set of registers using normal input-output commands. A set of test programs is supplied on a double density

floppy disc for exercising the memory.

Storage elements on the board are the company's recently announced bubble device in which data is stored as tiny magnetic areas on a very thin film of synthetic garnet.

Intel points out that the capacity of the new board exceeds that of a single density mini floppy disc by a substantial margin. In addition, the devices are magnetically protected, allowing them to be used near CRT coils, transformers etc.

More from 4 Between Towns Road, Cowley, Oxford (0865 771431).

### Thin-film approval won

MICROELECTRONICS Group of Ferranti reports that it has just received British Standards approval to BS9450 for its thin film passive networks.

The company believes it is the first such approval to be granted by BSI—manufacture to such standards involves detailed and comprehensive quality control.

The packages are used for defence, process control, oil and gas and many other industrial applications where quality and reliability are dominant factors. Established in the early 1960s,

the Ferranti facility is able to design, produce and test to the customer's specification a wide range of hermetically sealed packages, active and passive. The customer can ask for almost any type of modern semiconductor device to be incorporated into the circuit; resistor values can be produced to accuracies better than 0.01 per cent.

Approval of the active circuits is currently being sought. Ferry Road, Edinburgh EH5 2XS (031 322 2411).

### Bubbles in the sky

AVIONICS bubble memory of an advanced type will be developed by Rockwell International Corporation's Avionics Strategic Systems Division under a \$1.7m contract from the U.S. Air Force Avionics Laboratory.

The 30-month development effort will demonstrate high-

density memory systems for airborne applications, and provide a basic system having 16m bits of memory expandable in modules to 320m bits.

Rockwell will be delivering cells, memory modules and two advanced development systems through the course of the contract. Each cell will contain four one-Megabit chips and will serve as a basic building block for the total system.

The full-up memory system has a design goal of a maximum data rate of 4m bits per second operating at 100 watts.

Electronic Systems Group, Anaheim, CA 92803, U.S.

## COMPUTING

### Will get together in Europe

EUROPEAN POWER AXIS MOVES TOWARDS an international association of large computer service companies are being made in Europe to aid the development and growth of its members.

Data Team International is being set up by BOC Datasolve in the UK, Central Beber Cea from the Netherlands and GFA Exdata from West Germany to promote business through the sharing of experience in marketing, product development and operations.

Other computer companies, among the top three in their own countries, are to be invited to join the international group, with maximum of one member per country.

Data Team International will exchange experience, know-how and people to assist in marketing, investigate the products used by other companies in the group and look towards the common development of software and hardware selection for bureaux and bureau end-users. Datasolve on 09327 65568.

### ATALANTA

Manufacturers of Generators & Pumps

ATALANTA Engineering Ltd, Harworth Trading Estate, Harworth Lane, Chertsey, Surrey KT16 5JX, England. Telephone: 0344 62855 Telex: 851283Z ATALAN G. Telegrams: ATALANTA CHERTSEY SURREY.

## HOW MUCH DO YOU KNOW ABOUT YOUR COMPANY?

AND ARE YOU REALLY IN CONTROL OF IT?

Business efficiency requires instant information at your fingertips.

But conventional filing systems have a built-in time-lag when it comes to access.

To check how much you really know about your own company, ask yourself these questions:

- Are you trading reports up-to-the minute—or just up-to-the month?
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- How accurately—and how confidently—can you project your company's performance?

- Have you got absolutely tight control over all the key areas of your business?
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If you can answer all the above questions, and still not have any worries—congratulations.

IF YOU'VE GOT EVEN THE SLIGHTEST DOUBTS YOU NEED TO VISIT STAND 428/437 IN HALL 1 AT BS, BIRMINGHAM, OCTOBER 22-NOVEMBER 1

Business Control System

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## SAPA aluminium extrusions give bright ideas a chance to shine.

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# Recapture The Golden Age



with Haig

Join Haig & Company is proud to introduce Golden Age, the incomparable de-luxe whisky. It is a superb Scotch whisky from a treasured recipe exclusive to the House of Haig. It reflects its perfectly balanced taste on a selection of aged malt and grain whiskies, each with a noble character in its own right. The marriage of these fine old whiskies produces a Scotch distinctly different from other de-luxe blends at a price that's expensive to all but the connoisseur.

A new golden age of de-luxe whisky has arrived. Golden Age, from the House of Haig.

Financial Times market data table with columns for various indices and prices.

# THE PROPERTY MARKET BY ANDREW TAYLOR

## Frankfurt rents rising

THE FRANKFURT OFFICE market has traditionally attracted little UK investment compared with other major European centres like Amsterdam and Paris—but with rents rising in the city and good modern office accommodation increasingly short supply new opportunities may now be arising.

Rents for top offices in Frankfurt, the financial and banking heart of the West German economy, are now steadily approaching the DM 30 per square metre a month mark—a level last achieved in 1973/74.

In the intervening years Frankfurt has suffered all the ills of economic recession and over-supply of space that bedevilled the commercial property markets in so many major European cities during the mid 1970s.

But this climate has steadily improved since the end of 1976 and, as the large backlog of empty offices built at the beginning of the decade have been gradually filled, rents have moved sharply upwards.

In the traditional banking area, around Neue Mainzer Strasse, Gr. Gallusstrasse, Jungfernstasse, Taunusanlage and part of Mainzer Landstrasse, rents of well over DM 25 per square metre a month are now being achieved.

Asking rents for the 42 storey Frankfurter Büro-Center in Mainzer Landstrasse, and which is due for completion early next year, are currently in the region of between DM 24 and DM 28 a month.

British agents Jones Lang Wootton have been appointed

sole letting agents for the 45,000 sq metres of Büro-Center offices, developed by the Hamburg based Werner Otto Group. And negotiations are already under way with several major German and international banks for around 30,000 sq metres of this space.

JLW, in its latest review of the Frankfurt office scene, says that rents—assuming no major change in economic conditions—“could rise dramatically in 1980 and 1981” after which more “steady rental growth can be expected.”

The agents estimate that the city is currently only around 200,000 sq metres of modern office space now available in Frankfurt. This compares with an annual average take-up of office space of 124,500 sq metres over the past three years.

In the first six months of this year a further 73,400 sq metres of offices has been taken up and the total figure for this year is expected to be in excess of the 1977 level of 150,200 sq metres.

The emerging shortage of good new space is more apparent in the prestige banking and “west end” areas where there is thought to be only about 78,400 sq metres of new space still available. If the Frankfurter Büro-Center is excluded this figure is reduced to 33,400 sq metres.

In one of the largest deals so far this year Commerzbank has taken 13,500 sq metres of offices on Neue Mainzer Strasse in the key banking area.

JLW says that due to the long time it takes to obtain detailed building licences in West Germany, that it would

take two to three years before any schemes now in the pipeline could be brought on to the market.

The agents estimate that the current supply of vacant modern office space is now equivalent to only 1½ years average take up, based on the experience of the past two years. In the prestige “west end”—adjoining the traditional banking area—supply is less than one year's average take up.

Throughout the city the supply of space available in modern buildings exceeding 500 sq metres had declined from 516,000 sq metres in January 1977 to just under 200,000 sq metres by June this year.

But UK investment institutions and developers have traditionally shied away from the West German property market, compared with their activities in Belgium, Holland and France.

Frankfurt while it remains the major financial and banking centre in the republic still faces stiff competition from a number of other West German regional centres—and also the capital Bonn—for commercial office users. In addition the West German market traditionally has been dominated by well-experienced domestic developers and institutions.

It is for these reasons that the West German market has been regarded as, generally, being too tough and too complex to be worth breaking into. But, with UK institutions increasingly looking overseas for property investment opportunities Frankfurt may be one city worth a visit.

## Taylor Woodrow planning test

THE GOVERNMENT'S determination to reduce delays caused by planning restrictions is to be put to the test by Taylor Woodrow which, this week, announced plans to develop a £400m shop, hotel and “free port” complex on 119 acres of derelict London dockland.

The group, which is attempting to form a consortium of major contractors to develop the complex in Surrey Docks, says the project will not go ahead unless it can win major planning concessions, in the form of a special development charter.

This would allow the consortium to seek, in a single package, all the planning permissions and political backing it will need to develop the site.

Taylor Woodrow claims that its World Trade Centre development in London's St. Katherine's Dock would have been finished next year, but for repeated planning and other political interruptions. Instead it may now take another nine or ten years to complete.

The construction group's experience at St. Katherine's Dock has also prompted it to seek a new formula for agreeing the price of the land it will need to acquire from the Greater London Council and Southwark Borough Council, which last week announced an international advertising campaign to sell the site.

Taylor Woodrow is proposing to pay for the land in instalments—on completion of each

phase of the development—with the price calculated on actual building costs and rentals achieved.

This, says the group, would remove the drain of having to pay an expensive ground rent from the first day of development, when no rental income is likely to be received for several years. At St. Katherine's Dock the group has been paying an annual ground rent on the 15-acre site of £165,000 since 1970.

In return, Taylor Woodrow is prepared to guarantee to complete the project without the aid of Government funds and it has already made informal approaches to several major pension funds.

In addition the consortium would be prepared to finance and build the necessary access routes into the site—including a tunnel under the Thames—with costs to be met by charging motorists a toll.

It remains to be seen whether Taylor Woodrow's terms will appeal to Mr. Michael Heseltine, Environment Secretary, who recently announced the formation of two new urban development corporations to mastermind the redevelopment of derelict dockland, in London and on Merseyside.

These bodies however might provide the necessary planning umbrella to suit Taylor Woodrow's requirements and the corporations have been charged with the task of attracting private sector finance into docklands.

## Complaints panel

A COMPLAINTS COMMITTEE to report direct to Mr. Michael Heseltine, Environment Secretary, on delays caused by planning restrictions, is to be set up by the Royal Institution of Chartered Surveyors.

The idea for the scheme was prompted by Mr. Heseltine, who has been concerned that a number of worthwhile schemes have been seriously delayed, either through planning and development controls, or by the length of time some authorities are taking to draw up structure plans.

RICS have already reported four cases of projects which have been delayed by planning restrictions and these are now being considered by the Department of the Environment.

A spokesman for RICS said: “We are now examining the best way of setting up a complaints procedure. Obviously a number of delays caused by planning controls and the like, are for genuine reasons, but it is possible for recalcitrant councils to turn down worthwhile schemes by using the planning machinery.”

RICS will ask its members to compile cases of planning delays in the next issue of its house journal, Chartered Surveyor. These cases will then be sifted and passed on to the Department of the Environment.

● The former Marks and Spencer store at 132-148 High Street, Perth, has been sold by tender to British Home Stores for more than £2m. The store has a frontage of about 80 ft. and comprises 28,000 sq. ft. on three floors.

## Brent Walker marina move

BRENT WALKER, rapidly expanding into so many different aspects of the leisure industry, now plans to build a £76m Port Grimaud style marina, housing and hotel complex at Southend on the Thames estuary.

Mr. George Walker, chief executive of the group—which now includes hotels, restaurants, film production, greyhound racing and discotheques among its leisure pursuits—says that the scheme, still awaiting planning permission, will be totally self-financing.

“We plan to build 1,120 houses and 72 flats, the sale of which, during the latter period of the development, will contribute to construction costs, in-

cluding provision for a hotel and marina,” says Mr. Walker.

He estimates that the scheme will take four years to complete and that profits will start coming in during the final year of development.

Each house—expected to sell at between £65,000 and £85,000 at today's prices—will have mooring facilities. Mr. Walker says that the marina project, which will also include a health farm and local shopping facilities, has been made possible by a deep water channel which runs right up to the 40 acre site.

This channel, the Ray Gut will mean that a minimum depth of two metres of water will always be available.

## Lewis looks west

JOHN LEWIS, department store group, seeking to expand its operations in the West Country, has been looking at several likely sites in Bristol.

Some discussions have already taken place with Bristol City Council and Avon County Council which jointly own a 250,000 sq ft site, adjacent to Newfoundland Road—and on the opposite side of the inner circuit road, to the Broadmead shopping complex.

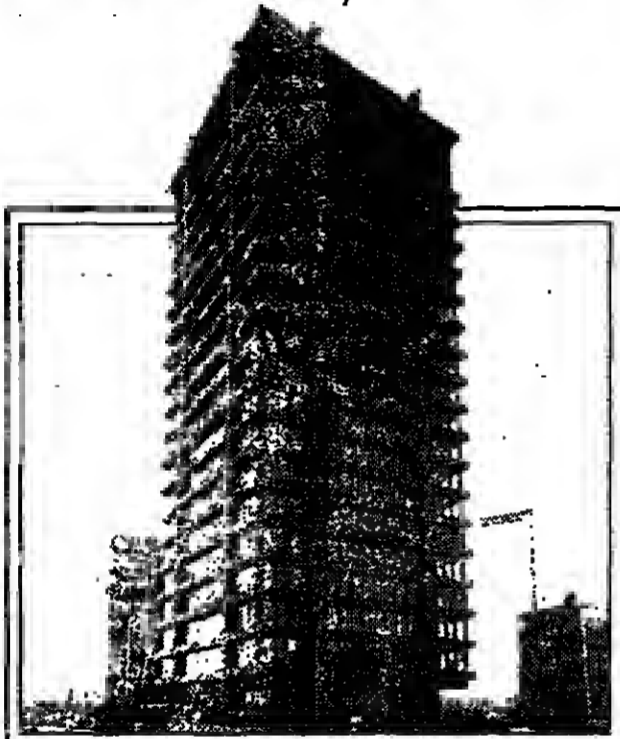
It is understood that discussions have included the possibility that a bridge may be built linking the new store with Broadmead, Bristol's primary shopping area.

Bristol agents, Hartnell Taylor Cook, would like to see a major department store development on the site—part of which is now occupied by builders William Cowlin—as it believes that this would provide an added drawing card to attract shoppers into Broadmead.

Although shop rents in Broadmead have continued to rise to around £40,000 a year for a standard unit, the agents say that the area needs another major department store to compete with other rival shopping centres like Bath and Taunton.

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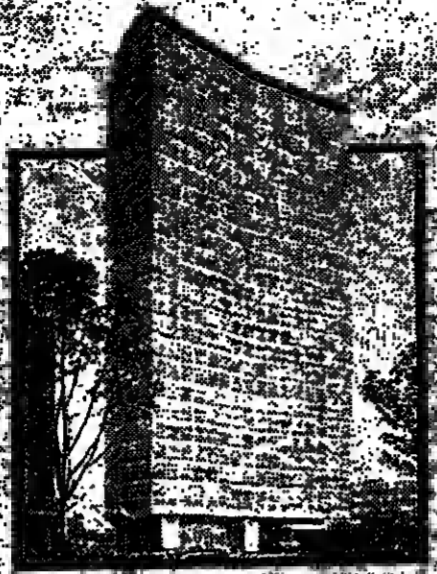
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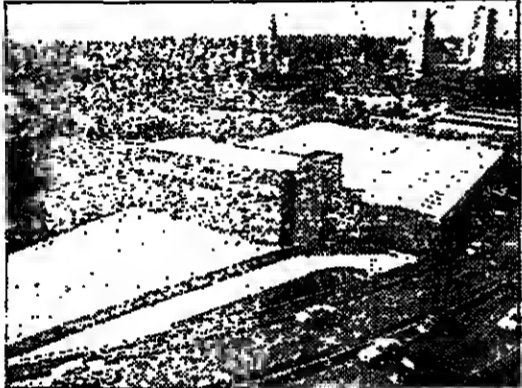
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# THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

## Management abstracts

These summaries are condensed from the journals of abstracts published by Anbar Management Publications. Readers wishing to consult original texts should write to: P.O. Box 23, Wembley, HA9 8DJ.

**Two People, Two Careers, One Relationship.** T. Weir and R. J. Burke in the *Business Quarterly* (Canada), Spring 79: p. 47 (7 pages). Identifies types of dual-career couples, and describes the difficulties and dilemmas that confront them in terms of, e.g. physical and psychological overload, identity, crises, selection of friends, and role conflict; offers general advice for people involved in such relationships.

**The French "Social Balance Sheet": European Journal of Accountancy** (Journal UBC) (Fed. Rep. of Germany), Oct. 78/Jan. 79: p. 287 (5 pages). Describes the content of the "social balance sheet" (more in the nature of a personnel fact-sheet than a form of social accounting) now obligatory in large French companies; explains the procedures for consultation and publication of the document.

**Involving Middle Managers in Participation.** Sir Alan Dalton in *Industrial Participation* (UK), No. 566: p. 3 (5 pages). Warns that a Board decision to change the management style of the organisation to one of participation ignores middle management at its peril, and contends that the best way is to ensure that middle managers are the vital links in converting the policy objective into action. Stresses the importance of the continuity and thoroughness of communication at all levels.

**Multinational Transfer Pricing.** S. S. Cowen and others in *Management Accounting* (U.S.), Jan. 79: p. 17 (5 1/2 pages, chart, table). Outlines methods — both market-based and cost-based — used by multinationals in setting transfer prices; discusses the influence of the tax authorities — and, in particular, of the U.S. Internal Revenue — on transfer pricing; examines the decision steps needed to arrive at a basis that meets management needs while satisfying the tax department.

**Divestment.** J. Boddewyn in *Management International Review* (Fed. Rep. of Germany), No. 17: p. 21 (7 pages). Compares divestment policies and practices between domestic and international business, and between U.S. and European businesses, relates them to cultural values and environmental pressures, but sees the impact of multinational and current economic conditions as contributing to a more common approach.

"THE RISK BUSINESS" is a catchy title for a "pop" book which glamorises the daunting world of innovation and design in industry. It is a particularly obvious one for a publication based on a television series of the same name. But it is misleading—a point confirmed by another new book on the same subject, but with the decidedly less sexy title of "Industrial New Product Development: A Manual for the 1980s."

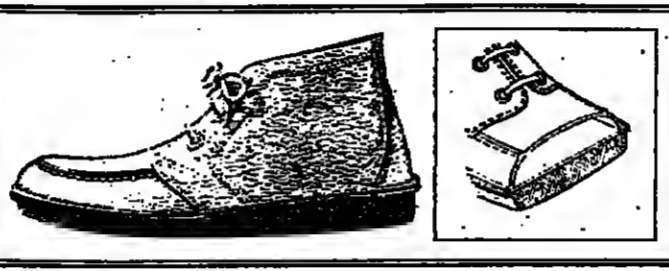
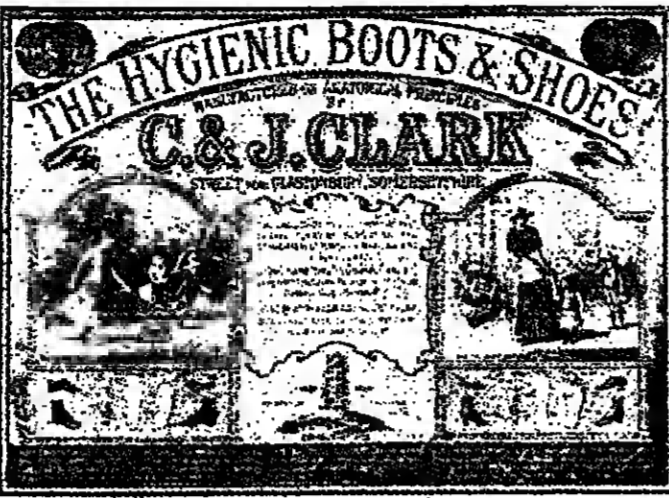
It is obvious that design in industry involves some element of risk; but so does getting to work in the morning, or—more seriously—trying to sell an established product in a new market. True again, there is an unending list of innovation "disasters": new products or improvements of old ones which either failed to get off the ground at all, or sold well but made no money. The Hovercraft and the Austin Mini are two examples of the latter. A further "high risk" category of long and expensive projects which eventually came good, includes Pilkington's famous float glass process.

The fact remains that many successful design and innovation projects have been low risk and low cost, a point rammed home by John Carson and Tudor Rickards in their book on *Industrial New Product Development*, which is about to be published by Gower Press. Carson and Rickards cite one large British chemicals group's expenditure of only £200,000 over a four-year period on the development of a series of new products which are now confidently expected to have a highly profitable annual turnover of £5m. Again, they point to a medium-sized company which spent less than £5,000 over a period of months, quickly generating annual sales of £100,000 from one product alone. (All these values are at 1978 prices.)

To a great extent, Carson and Rickards share a common interest with Michael Blakstad, author of *"The Risk Business"*, which was published yesterday. All three are bent on encouraging more British companies to indulge in the dangerously neglected business of rejuvenating themselves through the design of better products and processes. Another of Blakstad's aims in writing his book was to glamorise the design profession itself. This is theoretically in complete accordance with the previous objective. But the way he deals with both of them may actually deter stodgy managements from following the bold lead of Clarks Shoes, Pilkington Glass, and the other companies he holds up as examples. For one thing, his mass media background as the pioneering Editor of BBC-TV's *"Tomorrow's World"* and *"Risk Business"* prompted him to select a series of highly dramatic design "cases": Dunlop's controversial Denovo tyre, for example; or Clarks' astonishing recovery against all odds; Pilkington's breakthrough into

# Is innovation really 'The Risk Business'?

BY CHRISTOPHER LORENZ



The spirit of the old Clarks exemplified by a Victorian poster, and the basis of the company today—its revolutionary Polyvelvet shoe.

glass-reinforced concrete; or the product on which Leyland's truck side is staking its future, the much-delayed T45. Added to this is Blakstad's style. His breathless text is peppered with postage-stamp personality portraits, and words like "gamble" and "disaster". The book's cover shows a fruit machine. Is this preoccupation with high drama the way to win conservative managements to the cause?

That said, Blakstad's book is a must for everyone who is even remotely interested in design. Readers who are less obsessed with technology than the "Tomorrow's World" team will still find plenty to delight and inform them. Delight, in the personality vignettes and the repeated examples of Britain triumphing against adversity. On the information side, Blakstad touches on many of the general principles involved in the successful management of design and development. They include:  
● The way companies can save themselves from disaster by persisting with long-term development projects even when their competitors give up

about how and why small companies in the U.S. and U.K. do (or don't) manage to raise venture capital. Yet only one of the seven companies he describes in detail can really be defined as small.

His description of the other six concentrates very largely on non-financial questions. Yet it is on this very point—the mistaken belief that design and innovation are "too risky" in financial terms—that many large and medium-sized British companies stumble. Not in terms of lack of finance, but in the board's willingness to commit resources to investment projects whose ability to produce a good (or quick) return may not be absolutely certain.

Blakstad's book is to be welcomed as a popular yet substantial approach to a difficult yet crucial subject: the importance of product quality to the nation's future. But the message might have been more digestible for the average businessman if the author had shifted the emphasis slightly away from technical detail, and towards the human, financial and organisational aspects of the subject. It is in the last two items that Carson and Rickards are particularly strong, though their style, too, has some irritating quirks.

In their case the problem is largely one of management jargon: terms such as "3D Models" and "inward" terms they coin for the three key features of their new product management system: "Systematic Creativity and Integrative Modelling of Industrial Technology and Research," they call it, or SCIMITAR for short.

Beneath these labels lies a relatively straightforward and comprehensible approach as the authors recently demonstrated in a paper to a national conference of academics and researchers in the innovation field, organised by the Anglian Regional Management Centre at Danbury, Essex.

Fundamental to the Carson and Rickards system is their belief, based on experience, that the most effective route to new products is internal innovation, rather than the well-trodden and potboiled one of mergers or acquisitions. As business school academic and company manager respectively, Rickards and Carson have had extensive industrial experience.

Summarising their approach at the Danbury conference, they cited five general principles, some of which are highly relevant to the shortcomings of

## "The Risk Business."

1. The search for new products should link existing corporate resources to identified market needs.

2. New product strategy should follow sound principles of cost-accountability and budgetary control from the outset, and should not be seen as a speculative or blue-skies venture.

3. New product growth should be sought in areas perceived as low-risk if corporate support and acceptance are to be gained. These areas are likely to be close to existing corporate know-how, and in related markets.

4. Commitment from the decision-making level of the organisation is necessary. ("The chief executive is the chief innovator.")

5. New-product development following these principles is likely to be socially acceptable, in that growth occurs in areas sufficiently close to the skills of the existing workforce to safeguard the livelihood of those whose jobs are at risk through technological change.

Some of these statements may be challenged by people whose experience is mainly with companies who are used to — and prepared for — greater risks on more adventurous innovation projects: Pilkington is the obvious case. But Carson and Rickards are preaching to the mass of the unconverted, to whom risk is a deterrent rather than an attraction.

*Industrial New Product Development: A Manual for the 1980s.* By J. W. Carson and T. Rickards. Gower Press, Farnborough. £15. To be published November 15.

*"The Risk Business—Industry and the Designers."* By Michael Blakstad. Design Council, distributed by Heinemann Educational Books, London. £3.50.



JONATHAN STEWART may not conform with the design world's traditional definition of a designer, but he is just what British industry needs today: he has an outstanding electronics brain, and is capable of applying his very considerable design skills to the improvement of traditional products.

Jonathan is only 18, but yesterday he was named as one of 10 winners of this year's School Design Prize, organised by the Design Council and GEC, the electrical/electronics group.

His achievement is particularly unusual for a schoolboy, in that his design has already been taken up for commercial exploitation by an established industrial combine. Micro-metalsmiths of Kirbymoor-side, Yorkshire, and its U.S. parent company.

What Jonathan did, at the company's suggestion, was to put "chuff" and other realistic operating sounds into a model railway steam engine by means of a complex piece of electronic circuitry housed in

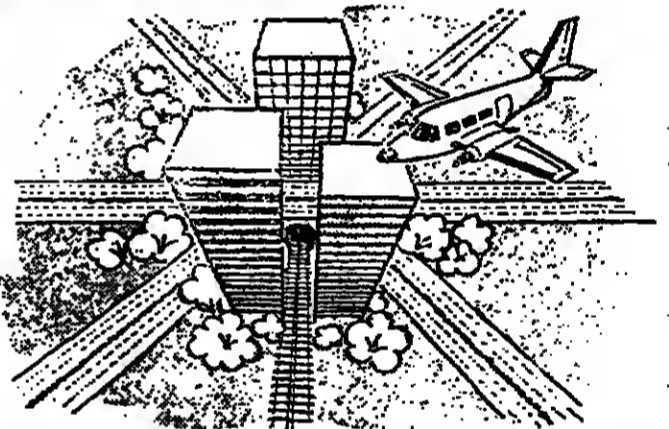
the locomotive itself. The sounds vary automatically according to speed and load.

The competition's judges—myself included—were particularly impressed by the systematic design, assembly and testing of the intricate circuitry. In my case, an extra attraction was the knowledge that Jonathan's design should also satisfy a clearly-defined mass market, an attribute which many award-winning professional British designs have sadly lacked in the past.

Another prize-winner with strong commercial possibilities is a multi-purpose model aeroplane, designed by two 16-year-olds. The hobby theme, an obvious one for schoolchildren to adopt, is continued with an excellent redesign of the traditional bicycle.

Among the other winners are a device to help police dogs scale high fences and walls; an audio-visual "fun toy" to amuse and educate handicapped children.

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LOMBARD

The Government as scapegoat

BY ANATOLE KALETSKY

TRADITIONALLY the nicest part of a Minister's job is reassuring the electorate that they have never had it so good and that utopia is only an election away. Today, however, the denizens of Westminster are a much sterner breed. There was no ministerial complacency, for example, over yesterday's money supply figures which showed that, within six months of taking office, the Government is well on its way to imposing the monetary discipline it had promised. In fact Ministers could proudly claim that almost all of their main economic policies have now been put into effect.

Warnings

Instead the sullen warnings about approaching doom continue and are likely to become still more doleful over the next few months, as the wage round gets under way. Paradoxically, the gloom will be laid on even more thickly if future figures confirm that monetary growth is really under control. As stockbrokers Phillips and Drew have pointed out in a recent circular, the Government is committed to "keeping interest rates high as long as inflationary pressure in the economy remains strong." But, if the Government maintains high interest rates, even after monetary growth has been well and truly curbed, "this will be an indication that the Government has abandoned the monetarist prescription for economic policy," which has as its objective the rate of monetary growth, and not the level of interest rates. Tightening monetary policy further in response to excessive wage settlements, will do no good and will cause unnecessary economic damage because the lag between a monetary squeeze and its effect on the rate of inflation is certainly longer than a single pay round.

At elections the two major parties could go on claiming that they had a formula for economic success, if only their policy were given a fair trial. Perhaps the biggest virtue of the present Government's macroeconomic policy is that it is actually likely to be allowed to operate. But for Mrs. Thatcher the prospect of this must be worrying. She has proved herself to be a British people are failures' is not much of an election slogan.

and politics that has dogged British economic management, a cut in interest rates next year could be politically embarrassing. It would be a public confession that economic policy is, for once, right on target, which is a dangerous thing to admit. For, although politicians in Britain have been preoccupied for 20 years with macro-economic and monetary indicators, many of them realise that the real problems are micro-economic and lie in the real economy. The debate between monetarism and demand management has only marginal relevance to the real obstacles to economic growth in Britain—poor industrial relations, incompetent management, bed engineering design, antiquated machinery and Luddite working practices.

Although the Conservatives have made much of their determination to improve "the supply side of the economy," their "policy" in this sphere is, in close inspection, not very different from their predecessors—a combination of laissez-faire and exhortation.

Excuses

I am not suggesting that Government should actually interfere more in industrial management, but simply that, on the most important areas of economic life, neither party has had anything to offer the electorate for at least 20 years. It has, therefore, been necessary to pretend that macroeconomic management, and fiscal policy, over which there were doctrinal differences, was the key to economic success. As long as governments could continue to claim that their macroeconomic policies had been undermined by events outside their control, they and the electorate, had ample excuse for economic failure.

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SCARBOROUGH

PEERING THROUGH the sea fog on a recent late-summer visit I was able to ascertain—if not clearly see—that, as the council's officers, Scarborough has something for everyone. Down on the beach the dim outlines of children scuttled through the grey swirls. Mums and dads, bundled up against the weather and resembling nothing so much as piles of wet washing, sat watching from their deckchairs. Higher up, outside the famous Spa complex, a small opera orchestra swamped a variety through requests from a mist-bound audience of mainly elderly visitors. A lady violinist, comely in a vermilion woolly, struggled against the elements to keep her instrument in tune and her bow at the correct tension.

Indoors in the warm, a coffee morning dance, a Scotch Whisky variation on the theme of the dance, was in full trot. Outside again, at a respectful distance from the more genteel entertainment, the thumps, whizzes and bows from the electronic merry-making in the amusement arcades echoed the against the unrelenting wall of grey.

Stiffest task for Final Straw

FINAL STRAW, who floored pundits with victories in the July Stakes, the Seaforth and Laurent Perrier Champagne Stakes, is my choice for today's Dewhurst Stakes. The good-looking Thatch colt clearly faces his stiffest task to date in this William Hill supported event, with its £25,000 added prize money. But I feel that his tenacity and excep-

RACING

BY DOMINIC WIGAN

tional improvement will again give him the day. Final Straw, whose consistency has not only been a great credit to himself, but also to Michael Stoute, who produced him to finish second behind Runmet in the spring, has most to fear from Romeo Romani and Tynavos. Romeo Romani, a \$95,000 yearling by Jacinto, could

Fresh sparkle for the Spa

BY CHRISTOPHER PARKES

thing, to underline the strengths of Scarborough as a holiday town. The range of entertainments which has been maintained and extended with relatively few signs of the drift into seediness which has overtaken many other British seaside resorts, continues to attract many thousands of tourists each year.

The May to September tourist season brings in about £30m a year and at peak weekends when all the hotels are full, the town's population doubles to 100,000. But changing times and habits have to be catered for. The traditional fortnight's holiday, for example, has largely been transformed into a stay of 10 days or less. Tourists are less willing than in the past to unpack their bags and stay put in their favourite lodgings. More are demanding hotel accommodation in preference to the boarding house.

To keep the customers satisfied and the beds filled the local authorities have in recent years undertaken a major overhaul of the town and its accommodation. One major switch of emphasis has been the extension of the resort's appeal into the surrounding countryside, beyond the centre and promenade area. Former residents of renown have been brought into the limelight, and in the town's publicity material "personality" ranging from Count Dracula and the Sitwells to

Captain Cook and Oliver Cromwell play their part. Council, private and Common Market money has been liberally spent on improving hotel accommodation, and a further £3m is in the pipeline for the next major phase of the town's refurbishment.

Extending the appeal of the town and its surroundings is one thing, but Mr. Russell Bradley, the council's chief executive, is intent on extending the season itself. Jobs are the key. Allowance for the 90 per cent of the town's population over retirement age, unemployment at the best of times is around 5 per cent, rising sharply when the summer season is over.

Logically, anything which will keep the visitors coming in the off-season, will help keep people in work. The greatest asset in the campaign to lengthen the season is the Spa complex, notably its Grand Hall. Occupied for the past 20 summer seasons by the sgeles Max Jaffe and his orchestra, the hall has become increasingly used for spring and autumn conferences by trades unions, companies and assorted associations.

While it is still successful in attracting the off-season trade, the Grand Hall clearly lacks the refinement of some of the alternative facilities to be found in places like Harrogate and Blackpool. Since its doors open directly

on to the sea front, the atmosphere in the reception and registration area tends to be somewhat bracing. And makeshift arrangements of trestle tables in the foyer are less than welcoming, while its colour scheme of dull turquoise and grubbier shades of blue mingled with brown stone-work is distinctly off-putting. Inside the hall itself, a magnificent elaboration on the basic Victorian design for railway stations—all cast iron pillars, black plaster walls and dusty floorboards—there is room but little comfort for up to 2,000 delegates. Apart from the generally tatty appearance of the hall, more serious failings have come to light in recent years. Kitchen, toilet, office and Press facilities, for example, have proved inadequate.

The decision to undertake a major facelift was taken in the early 1970s. Grand plans were drafted only to be abandoned by sections of preservationists who insisted that the hall's listed building status had to be properly respected. The early scheme, for example, included the notion that the floor spaces available could be split into two levels. This was scrapped following a public inquiry and instructions from Government inspectors. Extension towards the sea was impossible and expansion landwards difficult and costly because of the building's position against the cliff. As a result the designers

had to do their best within the existing framework. The delays have inevitably put up the cost of the work. Had refurbishment started when the Council planned, in 1976, its ambitious scheme would have cost about £1m less. The more modest Grand Hall project starting soon and running through the whole of next year would cost more than £2m, Mr. Bradley said. It will be shared between the local authority, the English Tourist Board and the Common Market's Regional Fund. The council aims to finish the work in one fell swoop, a decision which means that the Grand Hall will not be available for conferences at all next season. However, the councillors have made alternative arrangements, notably with Mr. Robert Luff, a local businessman prominent in the hotel trade, but perhaps best known as London theatre impresario, who has undertaken to accommodate



Scarborough's Grand Hall—a magnificent but fading elaboration on the basic design for Victorian railway stations—is now undergoing a facelift.

next year's conferences in some of his premises in Scarborough. Even though the new-look hall may not match the super-modern style of some of the more grandiose developments elsewhere in the country, its backers claim that its facilities and standard of comfort will equal those at other conference centres of a similar scale. In two or three years, they calculate, the new centre will be attracting 50,000 extra visitors to the town who can be expected to spend, at current rates, more than £5m a year during their average three- or four-night stay.

The potential is even greater. Given that there is an increasing tendency for delegates to make "conference week" a family outing, the council claims that Scarborough has a special appeal which places it among the most desirable conference towns in Britain. There is, after all, something for everyone at Scarborough.

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F.T. CROSSWORD PUZZLE No. 4103

Crossword puzzle grid with clues for Across and Down. Clues include: 1. Meaning that I am left (6), 2. Part of record we hear (4), 3. Conductor made to strip by senior counsel (4, 6), 4. A 'ny' but youth leader makes of human body (7), 5. Trustily and force from office (6), 6. Leave 'ny' leader in to complete a measure on the floor (6), 7. Derive a motorway's conductor (7), 8. Landlord's request before applying for closure (4, 6), 9. American state may visit (4), 10. Solitire writer for Westminster paper (5), 11. Sreker at the Palace coinng money (5, 4), 12. Notic chap putting money so to dislip (6), 13. Captivite a close listener (6), 14. Toll a student to be free and easy (8), 15. List of doctors willing to take part in quiz (5, 4), 16. Went on horse to find the bar key (4), 17. Debt collector rising in action got stripped (7).

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POLITICS TODAY

# Getting the State out of cold storage

THE GOVERNMENT announced this week plans to sell 5 per cent of the shares in British Petroleum to the private sector—less than had previously been supposed. At the same time, plans to sell off parts of the British National Oil Corporation have been abandoned and even the sale of some of the assets of the National Enterprise Board has been postponed, pending legislation.

All of that looks like a pretty substantial retreat from the Conservative Party's earlier ideas. It would be unwise to assume, however, that the intention of reducing State participation in industry has been entirely given up. There is one area in particular where plans are going ahead rather more smoothly than had been generally expected. It concerns the National Freight Corporation.

This is the story of the genesis of a political idea by a party in opposition, its reduction to a specific promise as the election approached, and its further development in government. It suggests, at least so far, that a major change in industrial policy can be successfully achieved, provided that it is carefully prepared.

But first a word about the NFC. Probably few people know much about it, though it is more controversial than it sounds. The National Freight Corporation is the left-hand of the old attempt to nationalise the road haulage industry, a campaign which bedevilled British politics in the 1950s and 1980s. It was established by the Transport Act of 1968 as a statutory corporation without equity capital. Its assets include Pickford's removals and heavy haulage concerns, but also National Carriers, the old loss-making Sundry Division of British Railways.



NFC's Mr. Robert Lawrence (left) and Transport Minister Mr. Norman Fowler.

Unlike other public enterprises, it has never had anything like a monopoly. Its share of the haulage market has never been above 10 per cent, though it is the biggest concern in the field. For a time it was seen as the model of a public sector company in a mixed economy—competing with, but not crowding out, the private sector.

In the mid-1970s, however, it ran into severe financial difficulties and the corporation frequently complained that it was hamstrung by its financial structure which only allowed it to borrow from the Government and then to pay the money back at high interest rates. In 1978 there was a partial financial reconstruction reducing some of the debt, and the corporation is now in what the City calls a "recovery situation."

The Government has accepted that the corporation should continue as a holding company of broadly its present size and range of interests, which was exactly what the NFC wanted.

The Government has also accepted that the majority of the shares should be sold, and may even choose to sell the lot. The BP solution has been abandoned. Again, that accords with the wishes of the NFC. The board apparently wants to get out of the public sector altogether.

The next step will be to change the legal form of the corporation into that of a company with shares. That will be done through the forthcoming Transport Bill which should be enacted by next summer. But there will still be no hurry to sell. It will be a question of waiting for the 1980 results. The earliest date for the sale therefore is probably the autumn of 1981. Current thinking is that the shares will then be disposed of in one go rather than in several stages, though it is still open whether the Government will seek to retain any stake at all.

So much for the planning. There are also snags. The chief of them is whether the NFC in its entirety really is a saleable proposition. The corporation made a record trading profit last year of just over £200m on a turnover of £407m. Its net profit after charges was the first since 1973 but was only £342,000; hence the complaints about the present financial structure.

This year the corporation has been hit by the road haulage strike, the engineering dispute and the strike at Kellogg's corn flakes, of which it is the main carrier. The forecast is still for a profit, but it will probably be small. That is why it is necessary to wait for the 1980 results to see whether the NFC really is in a recovery situation and to decide how to conduct the sale.

Some of the shares will be offered to employees as part of the Tory philosophy of wider share ownership, yet it seems unlikely that that will account for much of the total. No other transport company in this country appears to be big enough to buy the NFC en bloc, even if it wished to do so and one is assured by the most successful of them that they do not.

There may be also problems with the unions, none of whom are happy about the prospect. There have been some suggestions that they might buy the shares themselves, and neither the Government nor the NFC would object, but they do not seem to have got very far. The Labour Party has been relatively quiet on the matter, concentrating its fire on the sale of the shares in BP. In any case, its own record on road transport does not exactly invite it to speak with authority.

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**Scepticism**

In the end the sale will probably depend on the NFC's performance over the next year or so and, of course, the previous question would remain whether it would stay out. It is entirely possible that a new Labour Government would insist on renationalisation, in which case we should be back where we started and indeed back with

The achievement of this one small sale, however, will take several years, and even then it may not stick. That is the measure of the problems the Conservatives are up against in their attempt to turn the country round. There appears to be no great popular enthusiasm for selling off public assets to the private sector and, in this particular case, no great interest either. One must confess that one's own reaction to the proposed sale was: does it really matter who owns the NFC? What is impressive in a way is that somebody should be getting on with it, nevertheless. When the first share is sold, it will probably be nearly five years since the preparation of "The Right Track". It takes an awfully long time for a political idea to become reality. \*Conservative Political Centre: 60p.

Malcolm Rutherford

Letters to the Editor

UK-U.S. tax treaty

From Mr. M. Grylls, MP.

Sir—It would be the ultimate irony if Britain's Government, so clearly determined to create the right conditions for industry to prosper at home were, by pre-emptive action, to damage our multi-national's U.S. investments. While much of British industry with the UK has lagged behind our main competitors both in investment and productivity, overseas British companies have been outstandingly successful. For example, in the U.S. Britain has more investment than any other foreign country. In 1978 UK investments in the States were worth \$7bn.

The precipitate action, which many of our leading industrialists fear, is the ratification by the Government of the UK-U.S. Taxation Treaty. Originally, this treaty, in clause 9 (4), banned individual states, such as California, Alaska and Oregon, from applying unitary taxation on a "world-wide" reporting system. A year ago the Senate struck out clause (4) from the treaty. Now Britain has the option either of ratifying the treaty as amended, so leaving our investments in California, Alaska and Oregon, etc., subject to this ludicrous tax, or "sitting" on the treaty for a time to see whether separate U.S. legislation is enacted to stop such methods of unitary taxation.

The Government is, of course, under pressure from our insurance companies, U.S. oil companies and from HM Inland Revenue, to "sign and be damned." But, to do that would be to abandon our companies operating in the States such as California, Alaska and Oregon, to the vagaries of unitary taxation. A wiser plan, surely, would be for the Government to hold back, for a time, from ratifying this treaty and do all in its power to encourage Congress to pass legislation to deal with this problem. Delay in ratification is Britain's one chance to demonstrate effectively its treaty taxation; it would also show U.S. corporations who stand to receive some \$500m of tax back from our Treasury, that if they want their money they must persuade Congress to legislate against unitary taxation by individual states.

It took the U.S. Senate two years before it dealt with the treaty, so a similar delay by Britain could hardly be criticised. Arm-twisting it may be, but that is what "fat" treaties are all about. Let us see Her Majesty's Government standing up for what is, after all, a genuine British interest. A \$7bn interest to be precise! Michael Grylls. (Vice-Chairman Conservative Industry Committee). House of Commons. SW1.

To audit or not to audit

From the President, Association of Certified Accountants.

Sir—I support Mr. John Butterworth's view (October 9) that the filling of audited accounts at Companies House is a reasonable price to ask for the protection of limited liability. Incorporation is more than a legal thing. It endows the owners or shareholders of proprietary companies with substantial advantages. If it did not, tens of thousands of businessmen would not have bothered to form private companies. For the owners, limited liability protects their personal wealth from claims arising from business transactions. This does not operate in reverse; and some of that personal wealth may have been accumulated from business activities. When things go wrong and the company folds up, those who deal with it and those employed in it are exposed to loss and suffering.

In the article (October 3) which originated the correspondence in your columns, David Smith incorrectly stated that an audit review was suggested by the profession. The audit review suggestion has appeared from writers in professional journals and has been discussed in professional circles. The profession as such has not advanced it. The suggestion has been supported by many large auditing firms, but the users of accounts are opposed to it. Regrettably the Government's Green Paper "Company accounting and disclosure" is stepping backwards in this context in proposing a dilution of statutory accounting and auditing requirements for the smaller company. The users of accounts who would be prejudiced by the Government's proposals deserve the fullest support which the profession can give.

Amory Pakenham-Walsh, Association of Certified Accountants, 39, Lincoln's Inn Fields, WC2.

Non-executive directors

From the Managing Partner, Corporate Consulting Group.

Sir—Hugh Parker (October 10) emphasises the potential role of the non-executive director, or at least his plural "bloc" form, in monitoring the strategic performance of a company from a different vantage point to that of the executives, who are understandably identified with the appropriateness of past decisions.

They are, however, only one component of corporate leadership, and the reality is that even several non-executives of the appropriate quality on a board (how many boards are currently in that position?) will remain relatively powerless to influence the shape and pace of strategic development (as opposed to monitoring its effectiveness) unless there are corresponding changes in the executive components of corporate leadership of at least a commensurate kind.

Information systems do not normally surface critical strategic issues and options for board consideration; agendas of boards give scant attention to underlying issues as opposed to performance and announcements; it is not easy to identify a chief strategy officer of a business except by implication from another role; strategy is held to be the prerogative of line executives, who not surprisingly carry forward their own past; the strategy unit at the centre is normally without real teeth and status and encourages to focus on procedures, technicalities and time-tables.

Perhaps the most effective way to encourage a strategic focus in boardrooms is to establish a strategy committee of the board, not so much because of any intrinsic wisdom it would have, but to ensure there are parallel pieces of the executive organisation focussed on strategy, if only defensively at the outset. Good non-executives on the strategy committee of a mixed board are likely to be more effective in strategic terms than the introduction of a supervisory board with the tendency, in this country at least, to become a representative council of conflicting and adversary groups.

Leslie Dighton, 24, Peckingham Gate, S.W.1.

Bite in the boardroom

From the Managing Director, Ores International.

Sir—Hugh Parker (October 10) made an excellent point regarding the requirement for a "critical mass" of non-executive directors on company boards. There is no doubt but that a group of independently minded, objective and clinically critical directors would help improve the performance of many companies.

The problem is to activate the concept. It is the role of shareholders to seek out and elect such directors. If they are apathetic the board remains self-perpetuating.

Again one has to evaluate the motivation and commitment of such independent, non-executive directors since obviously their role is not to be easily activated. Too low a few would prejudice their commitment, and one too high possibly effect their complete objectivity.

The third issue, which I believe requires consideration is the authority of subsidiary company boards to co-opt independent non-executive directors, a matter which I feel may well be very desirable.

In my view it would be appropriate for the Stock Exchange, CBI and the Institute of Directors to set up a working party on this issue. M. L. Webb-Bowen, 35-37, Maddox Street, W.1.

Third London airport

From Mrs. Rich-Jones.

Sir—Although I agree with Mr. Westley Paxton's views (October 10) on the third London Airport, I wish to point out that the whole question of the airport should be considered in the national context and not solely by reference to the south east.

It is not just that the development of Stansted as a third London Airport would irretrievably ruin a large area of unspoiled English countryside. It would also set the seal on a permanent imbalance between the north and south of England, driving a further wedge between the "two nations," which Conservative policy seeks to unify.

It is entirely true that most demand for air services originates in the south east, but this is the function of centralisation, exemplified by the concentration of nationalised industry headquarters in London to the detriment of the prosperity of the north. This centralisation has deprived the north of its due share of company headquarters and associated service industries.

If the country is to break out of the vicious circle, airport

Flying first class

From Mr. A. Lucking.

Sir—You report (October 18) that the Guild of Business Travel Agents has criticised British Airways for scrapping first class lounges on its Jumbo jets, and fears that the business will transfer to Pan American.

Currently, first class service is usually a catastrophic loss-maker, and with the American deregulation, all the airlines will be forced by the ensuing price competition to cut out such losers. This will benefit the economy fare passengers, who at present have to cross-subsidise both the first class and discount passengers.

British Airways merely anticipates the results of world wide airline deregulation, and is right to do so.

A. J. Lucking, Flat 27, 17 Broad Court, Bow Street, WC2.

An extra journey

From Mr. P. Bates.

Sir—A personal experience may reinforce the call, by my one-time fellow civil engineering student Sir Colin Buchanan, for analysis of air traffic forecasts which he made in your issue of September 27.

My wife and I travel from Prestwick to Montreal soon. British Airways insists that our return (on an advanced booking fare) is via London and Glasgow airport, so boosting the statistics for London airport. On two previous occasions we travelled from Scotland to Montreal from Prestwick and returned to Prestwick on scheduled flights.

P. D. Bates, Broompark, Jamestown, Strathpeffer, Ross and Cromarty, Scotland.

Fishing in the North Sea

From the Chief Executive, National Federation of Fishermen's Organisations.

Sir—News that Danish fishermen are considering defying United Kingdom measures to restrict fishing for reduction purposes (October 11) prompts some observations. The point box, where the Danes wish to return, is an area off the north east coast of Scotland where no one, Danes, British or any other fishermen may catch Norway pout. The House of Commons Expenditure Committee explained why it is there: "North Sea haddock (and also whiting and other white fish) stocks have been seriously affected by the industrial fishing for Norway pout pursued, mainly by Danish and Norwegian vessels, with small-meshed trawls. Immature haddock, whiting, etc., have been taken in large numbers and converted into fishmeal, thus reducing the stock exploited for human consumption with conventional mesh-sized trawl and seine nets. To reduce this damage, scien-

policy must go hand in hand with deregulation from the south east to the north.

Mrs. M. Rich-Jones, "Nutlands," Stebbing, Essex.

its recommended, through ICES (International Council for the Exploration of the Sea), prohibition of fishing for Norway pout in that part of the north western North Sea where the juvenile stocks of haddock and whiting were at greatest risk. Although agreement on a closed area was reached in NEAFC (North East Atlantic Fisheries Commission) in 1976, Denmark objected and the UK therefore proposed a closure as a Community measure in 1977. After the UK had taken the initiative and had made an order under national legislation this was finally adopted." The point box was recommended by international scientists, it is wholly within UK fishery limits and it does not discriminate between fishermen from different EEC member states as it applies to them all.

But Danish fishermen do not only fish in the point box, they go wherever fish is available in sufficient quantities to feed the very large Danish fishmeal industry. Nor do they only fish for Norway pout. The story of the North Sea herring indicates the magnitude of the problem, and this is only one example. Over many years, in the 1950s and 1970s, Danish vessels regularly caught between 200 and 300 thousand tonnes of herring from the North Sea and the Skagerrak, largely for industrial use, and even as late as 1977 three quarters of the Skagerrak herring catch was used for reduction to meal.

This compares with an annual British North Sea catch over the same period of about 20 thousand tonnes, almost wholly for human consumption.)

The consequences of the industrial fishery for herring in the North Sea, the destruction of the fishery and a ban on herring fishing, are well known. The British Government cannot stand by and allow the same thing to happen to the white fisheries.

The attitude of other EEC members, industries and governments, towards conservation sticks in the throats of British fishermen more than any other aspect of this long and sorry history, and the remarks of Mr. Toernoes of the Danish Fishermen's Association are no exception. He should understand that sooner or later the Danes were bound to reap the consequences of building a fishmeal industry on such fragile foundations, and that the solution to the difficulties of Danish fishermen does not lie in more destruction. D. A. Palfreman, Exchange Building, Fish Dock Road, Grimsby.

Butlers, Eton and Harrow

From Mr. H. Hobhouse.

Sir—Your jokesmith, usually so felicitous, is faltering. The story (October 18) about Eton and poverty ("Even the butler was poor") is a very old chestnut. I had the honour of being told it by Lloyd George in 1938. But even he did not pretend it was original. Nor did he mind when I did not find it funny.

"Never mind," he said, "Arthur Balfour did not think it funny, either." Besides," he added, "Arthur always said that they told it about Harrow in the 1850s."

Henry Hobhouse, Bottom Barn, Castle Cary, Somerset.

GENERAL

UK: Prince Philip speaks at Guild of Air Pilots and Air Navigators 50th anniversary dinner, Guildhall.
Mr. Ron Hayward, Labour Party general secretary, speaks at Fareham Labour Party diamond jubilee dinner.
Mrs. L. P. Chibesakunda, Zambian High Commissioner, addresses Royal Commonwealth Society dinner, Bristol.
Overseas: Mr. Harold Brown, U.S. Defence Secretary, starts two-day visit to Tokyo.
Mr. Sadek Tabatabaai, Iranian

TODAY'S EVENTS

Deputy Prime Minister, meets Herr Hans-Juergen Wischniewski, West German Chancery State Secretary, Bonn.
Final day of Financial Times conference on Brazil—outlook for 1980s, Rio de Janeiro.
Final day of King Juan Carlos of Spain's state visit to Sweden.
OFFICIAL STATISTICS
Retail prices index for September. Tax and price index (September).
COMPANY RESULTS
Final dividends: Sidney C.

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# Hawker Siddeley declines and warns on strike costs

**POOR PERFORMANCE** by some UK-based operations and lower interest income left first half 1979 taxable profit at Hawker Siddeley down from £55.6m to £53.1m. Looking to the second six months the directors of the electrical and mechanical engineering group warn that the company will have to carry the cost of the national engineering strikes which hit the majority of its units in this country.

Sales were up from \$450m to \$555m with the UK content better at £410m, against £391m, and overseas at £145m (£129m). With the share of associates again at £4.1m trading profit was held at £4.5m but interest income was down from £7m to £4.5m.

Tax, with the deferred element treated in line with SSAP 15, took £18.5m (£17.3m) and £5m against £1.5m, went to minorities leaving stated earnings per 25p share some 31 per cent lower at 14.3p (18.8p).

The net interim dividend is stepped up to 3p (2.1047p). A total of 7.5p was paid from record profit, including six months of Carlton Industries of £118m for 1978—the first full year after Hawker's aerospace interests were nationalised.

Trading by overseas units was generally good during the half-year, but this performance was not matched by several of the UK operations, which were affected by national, and in some cases, local industrial relations problems. Additionally, in some traditional markets, political changes had a serious adverse effect on trade with Britain.

To improve operating economics, adjustments are continuing to be made in the company's UK units where adverse influences are likely to be of a longer term nature, the directors say.

Industrial and marine diesel engines, switchgear, and generating sets particularly, attracted poorer markets than previously, in contrast with railway and mining activities, electric motors, secondary batteries and automotive diesel engines, where demand was sustained at a better level.

Hawker Siddeley Canada had a buoyant period, helped by a high export demand for railway freight equipment, particularly for the U.S. and the relative weakness of the Canadian dollar which has assisted competitive exporting from Canada.

Adoption of accounting standard No. 15 increased post-tax profit for the comparative half-year by £12.2m and released £90.5m from the retained reserves. See Lex



Sir Arnold Hall, chairman of Hawker Siddeley, still counting the cost of the engineering strike.

## Spencer Gears up to £0.45m

**RECORD** taxable profits of £50,363, against £380,240, are reported by Spencer Gears (Holdings) for the year to June 30, 1979. Turnover rose 14.5 per cent from £4.34m to £4.97m.

The directors say the current year has started well with increased order books while sales in July and August were well up compared with the same period in 1978.

Over 70 per cent of group profit was earned in the second half—at midway the surplus was £123,305 (£105,776)—with good results from Southern Industries (Groydon) and Southern Industries (Coolers). Spencer Gears continued to make progress.

Major expansion programmes are in hand at Southern Industries (Groydon) and Spencer Gears, where new factories will go into production in the

current year, the directors add. The net total dividend is effectively raised from 0.6065p to 0.9p, with a final of 0.66p.

Tax takes £7,253, against £53,837. Earnings per 5p share are given as 4.15p (3.62p) after diluted tax charge, and as 2.34p (2.15p) on full charge.

Pre-tax profit was struck after interest of £73,176 (£49,783). Retained balance came through higher at £294,588 (£275,245).

## London & Montrose

Gross income of London and Montrose Investment Trust increased from £1.03m to £1.22m in the year ended September 30, 1979 and the total net dividend is raised from 5.9p to 7.15p with a second interim of 5.15p.

Management expenses totalled £58,829, against £57,990, the interest charge was £16,556 (£17,100) and tax took £24,363 compared with £36,671.

Earnings per share are stated as 7.23p, against 5.99p. Net asset value per share at year end amounted to 270p (276p).

# Ibstock £5m rights issue

Shareholders of brickmakers Ibstock Johnsons are being asked to put up almost £5m net by way of rights to redress part of the borrowings for the acquisition of Glen-Gery Corporation, a U.S. manufacturer of face bricks.

A total of 7.9m new 25p shares is being issued at 65p per share on the basis of two-for-five. The issue is being underwritten by London and Yorkshire Trust.

As forecast in September, the directors intend to pay a net final dividend of 3p for a total of 4.5p—an increase of 31 per cent.

The profit forecast for the second half includes a contribution from Glen-Gery from August 6, 1979.

The directors say that the forecast allows for recent increases in rates of interest and includes profit from the U.S. somewhat lower than anticipated two or three months ago, reflecting re-assessment of trading policies and stock valuation of Marlon Brick Group consequent upon its integration with Glen-Gery.

Careful consideration is being given to the actions required to ensure continuing and acceptable losses in Belgium, expected to amount to £1.2m for the full year, they add.

Brokers to the rights issue are Laing and Cuckshank.

crease in pre-tax revenue from £712,000 to £770,000 and from £435,000 to £494,000 in net revenue.

The interim dividend is stepped up from 1.5p to 2p—last year's total was 4p.

Earnings per share are stated as 4.934p against 4.372p and net asset value per share is shown as 125p compared with 122p. Tax charge is £107,000 (£113,000) and there are £150,000 (£164,000) tax credits applicable to franked income.

At September 30, 1979, 564,621 of the 5½ per cent convertible unsecured loan stock 1965-2000 was converted into ordinary shares. The balance of 883,210 is being compulsorily converted or repaid.

## Hawker Marris into loss

**TABLEWARE** manufacturer Hawker Marris reports a pre-tax loss of £170,060 in the half year to June 30, 1979, compared to a profit last time of £98,166.

And while improved results are normally to be expected in the second half, say the Board, it is too early to predict that the recovery will be sufficient to offset the first six months' deficit.

A period of reorganisation resulting from the introduction of new products and measures to improve productivity was made more difficult by a number of outside factors, say the Board.

Home sales were affected by the severe winter weather and the initial shock of the increased VAT rate. Some export sales were irrevocably lost because of the road haulage strike and conditions were made more competitive by the strengthening of sterling.

Redundancies arising from the reorganisation have cost £24,925, and the Board say additional short term costs of a similar magnitude have been charged against profits.

No dividend will be paid; last year an interim payment of 1.97p was made, followed by a final of 5.17p, on pre-tax profits of £188,000.

Sales slipped this time to £1.72m (£1.79m) and the trading loss came out at £84,273 (£137,315 profit). Interest takes £30,862 (£35,150).

## Gen. Scottish

For the year ended March 31, 1980, the directors of the General Scottish Trust estimate an in-

# Brooke Bond dips to £41m but better than expected

## HIGHLIGHTS

Lex looks at the speeches made at the Lord Mayor's banquet by the Chancellor and the Governor of the Bank of England regarding the control of the money supply. On the corporate news front Hawker Siddeley reports profits slightly down at £53m. However stripping out acquisitions and overseas profits growth, reveals that some UK activities (in particular the diesel business) experienced a squeeze on profits. Meanwhile Brooke Bond Liebig shows a sharp recovery in UK profits leaving the year figure better than expected at £41m. Finally Lex considers the Rothschild Investment Trust offer for Home Link House's offer for sale has closed well over-subscribed and there is news of the next company to go to the market. Ibstock Johnsons launches a near £5m rights issue to cover borrowings from earlier acquisitions. Elsewhere in the inside pages comments are made on UEM, Saga Holidays, Patisnam and Lee Cooper.

to £18m the directors said they expected second half profits to be closer to those of the previous year. They warned that profits from Africa and Asia would be down but expected profits from other areas to show an overall improvement.

The board now says growth in shareholders' funds was held back by the effect of the stronger pound on net assets overseas. The translation of these into sterling led to a reduction in value of £16.5m which has been taken to reserves in accordance with the group's practice.

The cash outflow during the year on acquiring investments in new subsidiaries was £23m, and these did not give rise to any element of goodwill.

The directors add that the reduction in sales was more than accounted for by the effects of currency translation into sterling and the final deconsolidation of Brooke Bond India.

The taxable surplus was struck after interest associated profits ahead from £1.2m to £2.7m and profit on the sale of land and

buildings of £1.51m (£3.07m). Tax took £17.51m (£21.72m). The attributable profit jumps from £4m to £22.75m after an extraordinary credit of £495,000, against a £5.83m debit, and minorities down from £1.25m to £1.28m.

The balance sheet shows shareholders' funds at £214.8m (£208.9m) and medium and long-term loans down from £65.2m to £43.4m.

Year 1979 1978

Sales	648,562	756,202
Trdg. profit before int.	40,638	46,918
Associates	2,586	1,128
Interest charges	(1,124)	(7,342)
Trading profit	39,270	40,774
Profit on land and buildings sales	1,815	3,066
Profit before tax	41,085	43,840
Tax	(17,510)	(21,777)
Profit after tax	23,575	22,063
To minorities	(1,280)	(2,281)
Extraordinary items	495	(5,833)
Attributable profit	22,790	13,969
Dividends	1,128	7,355
Retained	13,662	6,614

\* Comparative figures restated on basis used for 1979 to reflect changes in accounting for depreciation of buildings and for deferred tax. † Obit.

See Lex

## Conder coming to market

**HOT ON** the heels of Link's success comes news that another small company is planning to come to the market with an offer for sale next month.

Conder, which is the UK leader for steel framed buildings, is finalising plans to make an offer for sale of around 25 per cent of the equity raising £2m. The date of the issue is not finalised and no doubt merchant bankers Rothschild and stockbrokers W. Greenwell are looking at the timing of the sale of BP shares which are over-hanging the market.

However BP is unlikely to have a material impact on a Conder's issue which is not big enough to ever warrant Bank of England permission.

The offer sale will not raise any new money for the company. The shares on offer will come from existing holders, including the staff trust, the Conder family and probably TI and Wimpey which have been shareholders since 1964.

One of the questions which the issue poses is how the market will react to a company passing on a slice of profits to

employees by the profit sharing scheme.

That makes Conder a fairly rare animal but the backers to the issue reckon that potential investors will look at the profits after the staff scheme.

In 1978 Conder made profits of £1.55m pre-tax on sales of £66.5m.

## Elbief expects poor first six months

The outcome of the current year's first half for Elbief could not be other than disappointing, Mr. S. Prais, chairman, told shareholders at the annual meeting.

Orders were again picking up but the second half year would need to be exceptionally good if results for the year were to compare favourably with those of the previous year.

For the year ended April 30, 1979, the group, maker of hand-bag frames, leathargoods access-

ories and picture frames, reported profits before covenant donations and tax, at £263,679 against £335,633.

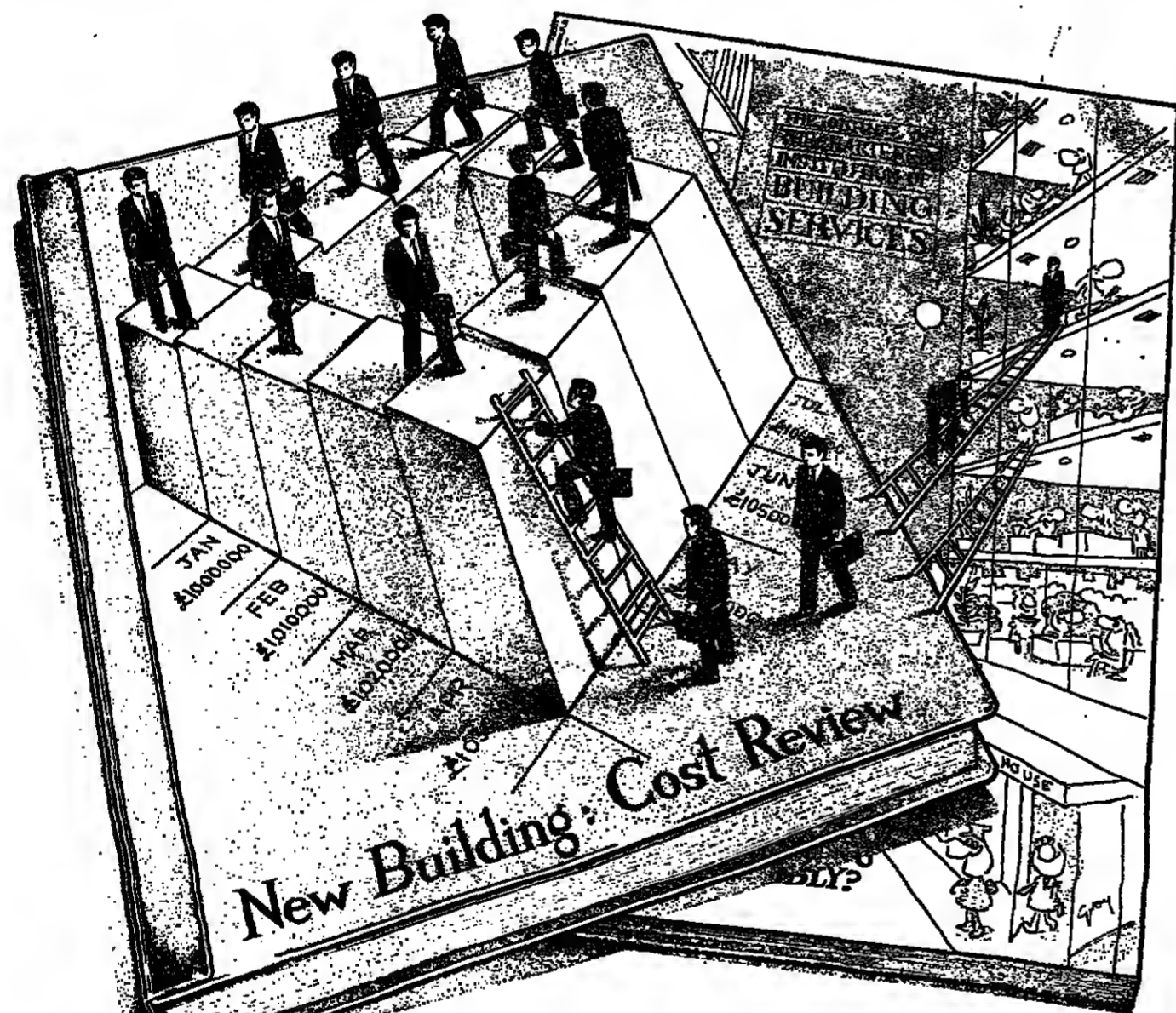
The chairman said increasing costs were eating away the advantage of increased sales for the early part of the year and a general feeling of uneasiness in the trade was not helped by the disruption of the engineering strike which curtailed output during the past two months.

## Link House success

The offer-for-sale by Link House Publications of 3m ordinary shares at 125p per share closed yesterday heavily over-subscribed.

Applications were still being counted last night but a spokesman for County Bank, the underwriters, estimated that the issue would be at least 25 times over-subscribed.

Details, including the basis of allotment, will be announced today.



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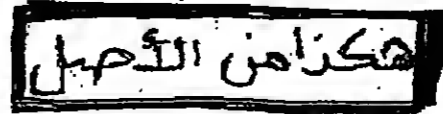
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This announcement appears as a matter of record only.

August 1979



# YOU'LL BE IN GOOD COMPANY READING FINANCIAL WEEKLY



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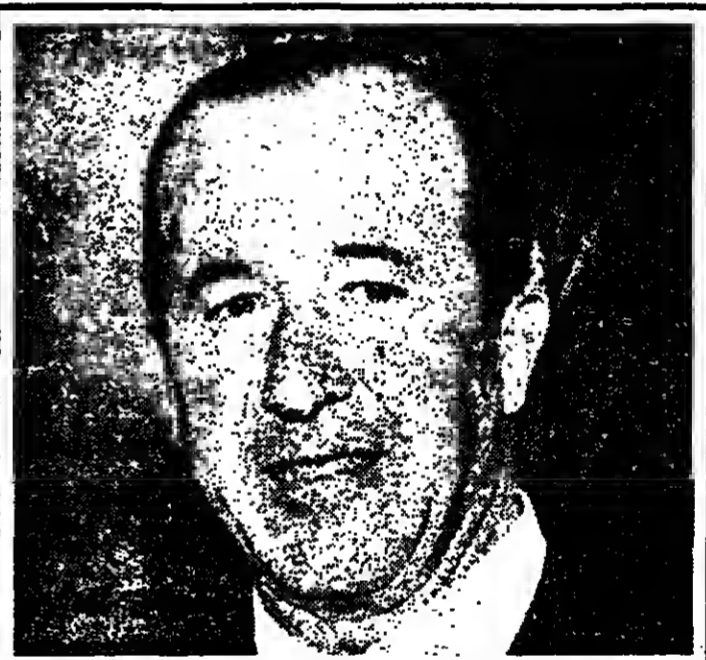
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Mr. Evans...  
General Secretary, Transport and General Workers' Union.

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Table with multiple columns of small text, likely a financial index or market data.

Companies and Markets

UK COMPANY NEWS

Saga Holidays hit by £419,000 charter loss

A SLIGHT fall from £1.12m to £1.06m in the second half left pre-tax profits of Saga Holidays, tour and hotel operator, at £2.03m for the year ended June 30, 1979, compared with £1.91m previously. The result was struck after an exceptional £419,000 loss on the charter of the cruise ship TSS Atlas.

UEI tops £1m in first half

PROFITS before tax of United Engineering Industries increased sharply from £684,000 to £1.03m in the first half-year ended July 31, 1979. Turnover improved from £4.42m to £8.4m.

Alfred Walker

Improved results are in prospect for Alfred Walker and As reported, a disappointing second half in the year to April

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Current dividend, Total dividend, Total last year. Includes companies like Brooke Bond, City of Aberdeen Land, East Rand Gold, etc.

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Subject to Jersey tax. § Plus special Jubilee dividend of 10p. ¶ South African cents throughout.

MINING NEWS Anglo gold mines on the crest of the wave

BY KENNETH MARSTON, MINING EDITOR

THE SEPTEMBER quarterly reporting season from the South African gold and uranium producers is brought triumphantly to a close by the mines in the Anglo American Corporation group.

The latest payments cover the financial year to September 30 when the gold price received by the mines averaged only \$255—and it closed at \$284 yesterday—and are generally up to expectations.

Notably good among the dividends, which are summarised in the following table, are those of Western Holdings and Welkom. They raise the dividend yields on the two shares to over 16 per cent and, if gold prices hold at anywhere near current levels, further dividend increases can be expected in the current year.

Table with columns: Company Name, Sept 1979, March 1979, Sept 1978, March 1978. Includes companies like East Rand Gold, F.S. Geduld, etc.

The benefits of the past quarter's higher gold prices vary from mine to mine with, of course, the major gainers being the more marginal grade producers. At the same time all have taken advantage, where possible, of milling more of their lower grade ore.

Average billion prices received by the mines are compared with the following table.

Table with columns: Company Name, Sept. 20, June 30, Sept. 20, June 30. Includes companies like ERGO, Elandsrand, F.S. Geduld, etc.

Tax charge for the year was up from £18,970 to £405,590, leaving a net surplus ahead at £405,017, against £318,258.

Stated earnings per 25p share moved up by 1.42p to 6.46p, while a final dividend of 3.435p raises the total payout from 2.69p to 4.035p.

The company has "close" status

The increases in pre-tax profits have exceeded those, to varying degrees, in the net profits because of South Africa's sliding scale formula for tax. In the case of Western Deep pre-tax profits show an increase over the previous quarter of 41 per cent, but the net figure after deduction of tax is only 6.4 per cent up.

The quarterly net profits are as follows:

Table with columns: Sept, June, March. Includes companies like East Rand Gold, F.S. Geduld, etc.

The East Rand Gold and Uranium (ERGO), dumps retirement operation, mines production is lower than in the previous quarter but it has gained from the higher gold prices.

Free State Sceptiles is being granted loan facilities of up to £30m (£16.9m) by Anglo American and President Brand to finance its needs—arising from cash flow problems caused by the financing of the No. 3 shaft system—until June next year and has decided not to pay a dividend for the past year to September 30.

President Brand has decided to open up for mining the south-western corner of the mine's lease area and to this end is to sink a new shaft there with an estimated cost to completion of £125m.

The chairman of South Africa's New Witwatersrand Gold Exploration, Mr. Andrew Gnodde,

Eleco expands to £1.65m

FROM TURNOVER of £16.68m against £12.44m, profits before tax of Eleco Holdings rose from £1.1m to £1.65m in the year ended June 30, 1979.

When reporting pre-tax profits up from £687,000 to £707,000 at midway, the directors said they were confident that the final result would be highly satisfactory. The group is involved in the engineering and construction industries.

Midterm fall for Taylor Pallister

Pre-tax profits of Taylor, Pallister and Co. fell from £125,339 to £71,259 in the half year to June 30, 1979, on turnover down from £222,550 to £202,550.

Industrial and General advances

TOTAL INCOME of the Industrial and General Trust was better at £5.45m, compared with £4.93m, and pre-tax revenue moved ahead from £3.76m to £4.44m for the half year to September 30, 1979.

CINEMAS

BET expects modest rise

PROFITS of British Electric Traction should show a modest increase over last year's pre-tax surplus of £72.1m, forecast Sir John Spencer Willis, chairman, at the group's annual meeting.

BET's involvement with the engineering unions was small, he added, and the effect of the recent strikes would be to defer profit until the current year because of the delay in completing contracts.

Ramar's order book full

Ramar Textiles has a full order book for the autumn season and initial selling for spring 1980 is encouraging, says Mr. Michael Kaulin, the group's chairman.

CRA bid for BH South can proceed

AUSTRALIA'S Federal Treasurer Mr. John Howard, said yesterday that his government would not raise any objections under the Foreign Takeovers Act for Cozzine Rietveld of Australia to acquire BH South as a result of the current bid.

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FOOD PRICE MOVEMENTS

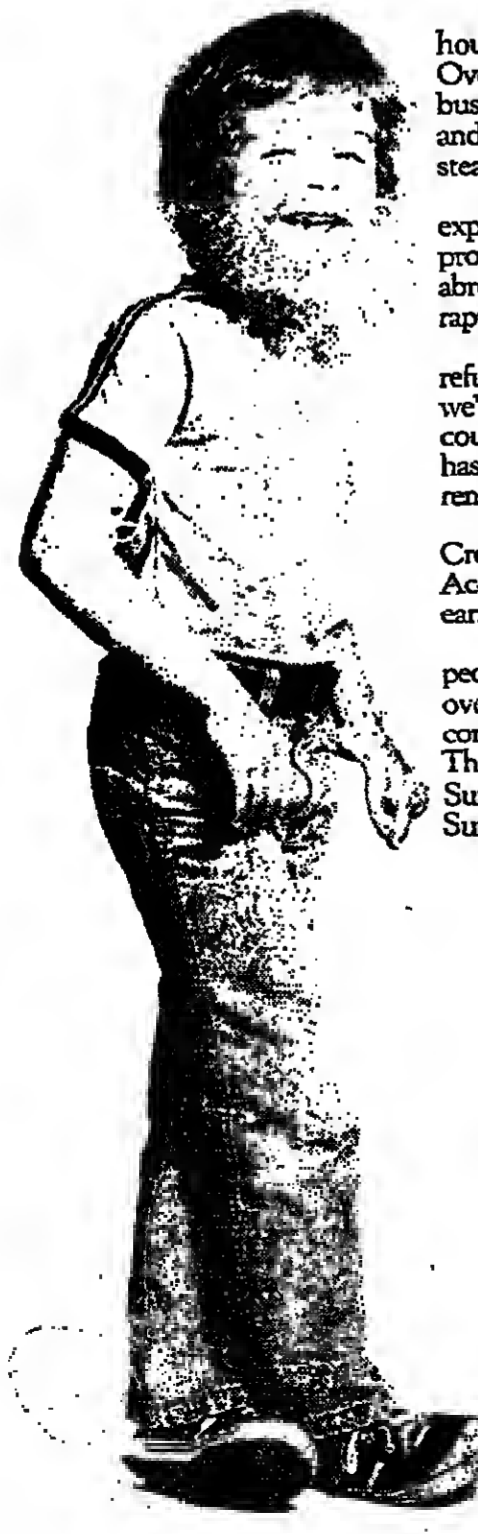
Table with columns: Item, October 18, Week ago, Month ago. Includes categories like BACON, BUTTER, CHEESE, EGGS, BEEF, LAMB, PORK, POULTRY.

Christie-Tyler Limited

Table with columns: Year ended 30th April, 1979, 1978. Includes categories like TURNOVER, PROFIT BEFORE TAXATION, TAXATION, PROFIT AFTER TAXATION, Dividend per Ordinary Share.

Christie-Tyler Limited Brynmynyn, Bridgend, Mid Glamorgan First in Furniture

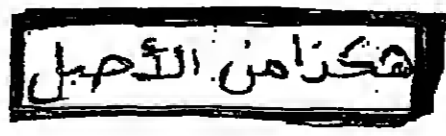
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Crouch Group has been successfully building houses and developing residential estates since 1927. Over the years, we've also started or acquired related businesses, such as joinery, painting, civil engineering and flooring companies, all of which have contributed to steady, if not spectacular growth.

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Crouch Group Limited



Companies and Markets

UK COMPANY NEWS

Goodyear returns to profit in third quarter

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GOODYEAR, the UK subsidiary of the world's largest tyre manufacturing group, returned to profitability in the third quarter of 1979. In 1978 the company incurred losses of £21.4m.

But Goodyear suffered another reversal when an explosion at the Wolverhampton plant killed three employees and the factory had to be closed.

The group is losing sales because high demand had left it with low stocks, particularly of the truck tyre side. And overhead costs at the Wolverhampton headquarters are running at £10,000 a day.

The main problem has been locating replacement parts for damaged equipment. 'We have been scouring the world,' a spokesman said. Unofficial estimates put the cost of replacing damaged equipment alone at £1m.

Goodyear UK's return to profit arose mainly from the closure of the plant at Drumchapel, Scotland, with the cost of 700 jobs early this year. Good year closed that labour productivity at the plant was only half that of comparable Continental factories.

The UK company also reduced the workforce at Wolverhampton where nearly 100 jobs were affected, and at a general

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in fact or likely to be paid.

Table with columns: Company Name, Meeting Date, Meeting Time. Includes: Advance Laundries, Amoco Investment Trust, Barker and Oulton, Burrell, Callender (George M.), Dunlop-Combes-Mars, Land Securities, Smiths, Smiths (W. H.), Snow, Finsis, Aronson, Smart (J.) (Contractors).

FUTURE DATES

Table with columns: Company Name, Meeting Date, Meeting Time. Includes: Advance Laundries, Amoco Investment Trust, Barker and Oulton, Burrell, Callender (George M.), Dunlop-Combes-Mars, Land Securities, Smiths, Smiths (W. H.), Snow, Finsis, Aronson, Smart (J.) (Contractors).

Second half boost for Aberdeen Land

Boosted by a £100,000 jump in second-half profits, the City of Aberdeen Land Association has increased taxable surplus from £236,000 to £396,000 for the year ended June 30, 1979, on turnover of £2.51m against a house-building and property develop-

ment concern were up from £25,250 to £145,388 and the directors said that the second-half result would exceed that of the comparable period last year.

They now say this forecast was beaten as a result of benefits from the strong rise in house prices in Aberdeen and with the effects of this particularly marked in the second half.

This trend has continued into the first quarter of the current year. After tax of £210,000 (£125,000) earnings per 50p share rose by 8p to 20.5p. The dividend total is stepped up from 4.55p to 8.55p net, with a 5.75p final.

Taxable profits of Prestwick Parker, nuts and bolts manufacturer, slipped to £27.12m in the year to June 30, 1979, against £27.17m last time.

Profits improved slightly in the second half, after a midway pre-tax surplus of £14,298. Mr. G. Parker, chairman, said that the industry was suffering a severe depression, and a further decline in trading in the early part of the second half had necessitated short time working.

There is no dividend (3p net). Tax takes 59,888 this time, compared to £115,515, and there is a substantial net loss of £10,303 (£53,283 profit).

UK COMPANY NEWS

UBM jumps to Lee Cooper surges £2m

£5.5m at midway in first six months

growth may be described as organic. The improvement stems from overhead cuts, an attack on shrinkage, and the concentration of the group's buying power to wider margins. Although the rationalisation of the branch network is mostly over and the pruning exercise is now complete, UBM is confident of continuing benefits in the second half which, if forthcoming, suggests that sights should now be planned on at least £11m pre-tax for the full year.

The directors say that the merchandising and motors divisions performed strongly and other divisions achieved satisfactory results. They add that the benefits of reducing operating costs and eliminating unprofitable parts of the business were felt increasingly.

But board points out that the second half has been hit by the shortages of some key products due to industrial disputes at suppliers. However, providing there is no further serious deterioration in trading conditions the board expects a satisfactory outcome for the year. Total pre-tax profits last year were £8m.

After tax of £1,939m, against £1.17m, the net profit is up from £2.18m to £2.50m. There is an extraordinary credit of £780,000 (£123,000) and after preference dividends, the attributable surplus is well ahead from £2.39m to £4.36m.

Norman Hay slips midway. A decline in taxable earnings from £318,000 to £240,000 is reported by Norman Hay, electro-plating engineers, for the half-year to June 30, 1979.

Taking into account the effect of last winter's industrial problems on orders, the Board say they consider production has been satisfactory. The beginning of the second half has shown an improvement, they add.

The interim dividend is pegged at 1.5p net. Earnings per 10p share are down from a stated 3.52p to 2.99p. Turnover rose from £2,066m to £2.1m and tax is £124,000 (£165,000).

Following the optimism expressed in the last annual report, Lee Cooper Group, the jeans and casual wear concern, achieved a near £2m profit rise in the first half of 1979 and full year results are expected to continue at this rate.

On higher turnover of £34.76m, against £31.75m, pre-tax profits for the period jumped from £2.48m to £4.45m, and the directors point out that but for the strength of starting, these figures would have shown even greater increases.

The pound's strength has also affected the value of the company's overseas investments. At rates ruling on June 30, 1979, a provision of £284,000 would be required to cover the reduction in value.

Since June, however, the pound has weakened and the directors say it is possible that this provision will be substantially reduced when the final results are prepared.

Overseas subsidiaries' results have been translated at exchange rates ruling on June 30, 1979 (comparatives on June 30, 1978 rates). If overseas earnings included in 1978 half-yearly results had been translated into sterling at this year's June 30 rates, turnover would have been £29.28m and pre-tax profits £2.39m.

Earnings per 25p share surged from 11.55p to 22.35p and the net interim dividend is effectively unchanged at 4.55p to 4.4p per share—last year's payments totalled an equivalent £2,333 on record £7.18m taxable profit.

Tax for the half year took £1,620m (£1,020m) and minorities £187,000 (£274,000).

UK COMPANY NEWS

Little change at London Shop Property

Following the midway pre-tax profits decline from £24,750 to £168,750, London Shop Property Trust recovered in the second six months ended April 30, 1979 to finish little changed at £65,785 compared with £65,284. Turnover fell marginally from £18m to £14.88m.

Total income rose by 40.5m, to £229m of which 17.5m was accounted for by £185m (£1.43m). Interest charges, however, increased from £1.28m to £1.64m.

Earnings per 25p share are shown at 2.4p (1978) and a final dividend of 2.25p (1978), a total for the year of £4.65, compared with 4.05p previously.

Turnover in excess of £1m for the first time was reported at the AGM by Mr. E. A. K. Denison, the chairman of Sheppee Holdings, maker of specialised engineering products for the oil industry. Of this figure, 40 per cent was exports.

Members were told that profits of the private company were still above the average for manufacturing companies of its size. The chairman added that the holding company, which controls Sheppee Engineering, of York, had returned profits well above the average for

Sheppee turnover tops £1m

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The Association of Investment Trust Companies INVESTMENT TRUSTS: net asset values

Large table with columns: Company Name, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value after deducting prior charges, Investment Currency Premium, Total Assets less current liabilities, Date of Valuation, Annual Dividend, Net Asset Value after deducting prior charges, Investment Currency Premium. Includes various investment trusts like Alliance Trust, Anglo-American Securities Corp., etc.

UK COMPANY NEWS

Platignum £0.12m lower but sees 1980 pick-up

TAXABLE profits of Platignum, formerly Mentmore Manufacturing Co., fell sharply from £216,389 to £96,789 in the six months to July 31, 1979, on sales 5.3 per cent higher at £4.67m, against £4.37m.

Developments, of Canada, rose from £4.85m to £5.67m in the half-year to April 30, 1979. The surplus was struck after interest of £17.5m, against £17.43m. Tax credit totals £50,000 (£150,000).

Scottish Mortgage Tst.

Gross revenue of the Scottish Mortgage and Trust Co. fell from £3.32m to £3.69m for the six months to September 30, 1979. After expenses and interest, the pre-tax figure emerged down at £2.85m, compared with £3.05m.

EPC profit up to £5.7m

Pre-tax revenue of English Property Corporation, which is controlled by Olympia and York

BIDS AND DEALS

RIT bids for Hume Holdings

BY JAMES BARTHOLOMEW

Rothschild Investment Trust yesterday launched a bid for Hume Holdings, an investment trust in which RIT already had a 27.4 per cent stake.

The institutions did not buy RIT's stake in Hume because the discount to net asset value is smaller than that of most investment trusts due to the high yield.

The Hume investment policy has been to stabilise the trust and maximise income since the arrival of Mr. Kenneth Dick about five years ago.

Having benefited from the recovery at Hume, RIT is now thought to regard Hume as a relatively dull investment and if RIT gains control, it is expected to bring Hume's policy into line with its own.

favoured investments which have strong asset backing like plantations and property. Only on Tuesday it announced the purchase of a stake in Savoy Group which was a low yield but high asset backing.

RIT bought 2,775,000 "A" shares yesterday at 94.5p bringing its stake up to 33.5 per cent of the total issued capital.

RIT is not thought to be very concerned about whether it acquires 51 per cent or 100 per cent. The important thing for RIT is to obtain control and change the investment policy.

CAMBRIDGE INSTRUMENT

Cambridge Instrument Company, in which Dr. Perry Gooding, Cambridge, is taking a majority stake, lost £80,000 before tax in the first two months of its current year.

This follows a loss of £3.2m before tax and extraordinary items in the year to June 30, 1979. The information is contained in the formal document relating to the details of the transfer of ownership.

Despite rationalisation steps in the company, the group's largest business, electron microscopes, was making heavy losses in the last financial year.

It was against this background that the company decided that further rationalisation of the microscope business was necessary. The National Enterprise Board, Cambridge's majority shareholder, has underwritten a £5.5m rights issue by the company, and this money will be used to settle its bank debt and repay a £500,000 NEB loan.

GRESHAM HOUSE SUSPENDED

Shares in Gresham House Estate, an investment trust, were suspended yesterday at 145p, a 3p rise. This values the company at just under £8m.

In its last accounts, for the year to the end of 1978, Gresham's auditors noted a list of accounting practices which did not conform with accounting standards. They were also unable to confirm a property valuation.

Interim figures for the six months to June have not yet been published. Last year's profits were £451,000 (£433,000).

CHARLES HURST TALKS OFF

The directors of Charles Hurst, the Belfast motor distributor, announce that recent discussions which have been taking place, have not led to an offer being made to acquire the shares of the company.

These discussions have now been discontinued, and the company requests that its shares be relisted for dealing.

SHARE STAKES

RCA International, Perelle Nominees has purchased 255,276 10 per cent cumulative second preference shares (£2.50 per cent) and 25,000 6 per cent cumulative first preference shares (£5.50 per cent). These shares were formerly held by Cotham Finance.

Shaw and Marvin—On October 15, Suckland Securities, controlled by Mr. C. A. Gooch chairman of Shaw and Marvin acquired a further 55,000 shares making total holding 215,000 (14.33 per cent).

Federated Land and Building—Mr. J. E. Meyer, director, has disposed of 100,400 ordinary reducing his holding to 2,850,000 ordinary (27.8 per cent).

Johnson, Matthey and Company—Johnannesburg...Consolidated Investment Company no longer has interest in the company. De Beers Holdings (Pty), Johannesburg, has finalised arrangements whereby it will become the beneficial owners of 12,211,500 (23 per cent) ordinary.

Hopkinson Holdings—British Assurance now holds a total of 700,000 ordinary (6.25 per cent).

Arthur Guinness Son and Company—Mr. I. S. Ferris has disposed of 27,357 ordinary reducing his holding to 5,574,976 (8.3 per cent). The Earl of Iveagh, director, has disposed of, as trustee of the Lady Henrietta Guinness 1965 settlement, 27,357 ordinary reducing his holding to 2,184,447 (8.66 per cent). Mr. C. Parsons held 2,300 ordinary, as trustee, on his appointment as a director. The Marquess of Dufferin and Ava had an interest in 2,688,490 ordinary on appointment as director. The Hon. Simon Lennox-Boyd had an interest in 1,270,729 ordinary on appointment as director.

West of England starts well

The investment services business of West of England Trust has started well in the current year and the company looks forward to the future with confidence says Mr. Ernest Harbottle, the chairman.

The considerable growth in business activity for the company's legal financial services in 1978-79 should be reflected in increasing turnover and profits in the current 12 months. Also projects are in hand on the commercial and industrial investment side, the benefits of which should accrue over the next two or three years Mr. Harbottle adds.

For the year to June 30, 1979, operating profits reached £1.7m (£1.31m) with £1.02m (£961,000) coming from investment services, £248,000 (£246,000) from legal and financial services and

£482,000 (£105,000) from commercial and industrial interests. As reported, September 14, taxable profit rose from £866,000 to £1.32m and the net dividend is raised to 2.5p (1.5317p).

Advances to customers at the year-end stood at £1.02m (£813,000) and cash was up from £3.99m to £5.71m, while customers' current and deposit accounts amounted to £3.22m (£3.17m) and £849,000 (£832,000) was due to bankers.

Net liquidity improved by £1.96m (£21,000). Investment conditions were generally stable during the year. As a result of this and the strength of the division, a record level of business was attained by the trust's investment services. Here there was steady development of overseas business which again provided

a good contribution to profits. Overseas expansion continued with the setting up of bases in Nassau and Hong Kong.

The results by legal and financial services were seriously affected by the two-month closure of the Companies Registry. Further expansion both organically and by acquisition, is intended for this division where a steady growth in turnover and profit is expected, the chairman says.

Commercial investments made a substantial contribution to earnings during the year. Currently Woodberry Chilcott, steel stockholder, is engaged in a three-year programme of renewal and development of its facilities and organisation.

Meeting, Bristol, on November 7, at noon.

Rise in house prices slowing, says Abbey

By Andrew Taylor

FURTHER INDICATIONS that the rate of house price increases is slowing come in surveys by the Abbey National Building Society and Bernard Thorpe, the estate agents.

Bernard Thorpe expects house prices to steady until next Spring at least and "in London there could even be a fall in some residential prices before the Spring."

The estate agent in its quarterly survey say "with mortgage delays of four to five months at some building societies buyers must tap other sources for their loans."

"Before long we could well be following the system in some European countries of loans from several sources making up the amount required. The loan linked to an insurance endowment policy could also be becoming a more common occurrence."

Figures produced by Abbey National also point to a more stable outlook for house prices. The building society say: "while house prices have continued to rise at a rapid rate there are indications that the rate of increase is slowing down with the annual rate dropping slightly to 3.2 per cent."

The Abbey figures show that the average price of a home rose by 8 per cent to almost £23,000 during the third quarter of this year.

It says: "Although further rises will occur in the fourth quarter, it is anticipated that the low quarterly figure in the Greater London Council area of 6.6 per cent is a forerunner for a general slowing down in the rate of increase."

The building society's survey showed that the highest rate of increases in the third quarter were in Wales, 14.3 per cent, and in the West Midlands, 12.3 per cent.

Uruguay, Bahamas, Barbados, Jamaica, Trinidad and Tobago should be posted by October 22.

Surface letters and cards to these destinations should be posted by next Wednesday. All surface mail for BFPO 75 should be in the post by October 30 and for BFPO 182 by November 3.

Depopulation ending in rural North Devon

By James McDonald

RURAL DEPOPULATION may be ending according to a detailed study of a small north Devon town.

The study of Hatherleigh, in one of the most sparsely populated areas of the county, north of Dartmoor, shows the town's population has increased substantially in the past eight years with many people of working age moving in.

The study for Devon County Council is called Rural Recovery: Has it Begun? by Anne Glyn-Jones, a research fellow in the department of geography at Exeter University.

During her talks with families who moved into the town and those who were remaining, Miss Glyn-Jones said one theme predominated—their affection for a way of life and a set of values they were defending against prevailing trends.

One family spoke of escaping the "absolute rat race of London." Another came to avoid bureaucracy.

"Rural Recovery: Has it Begun?" by Anne Glyn-Jones, Planning Department, County Hall, Exeter and the publications department, University of Exeter, £2.50.

More women seek drink cure

MORE WOMEN are seeking help with drink problems, says a report by Alcoholics Anonymous, the self-help organisation. Women accounted for nearly four out of 10 of new members in the last three years.

One-third of AA members is female, compared with one-fifth at the last survey in 1972, and the proportion of women is steadily increasing, says the report.

BANK RETURN

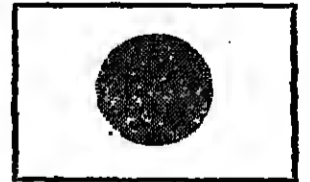
Table with columns: Wednesday Oct. 17 1979, Increase (ft) or Decrease for week. Includes Banking Department and Issue Department sections.

Christmas post dates

CHRISTMAS parcels and packets going by ship to Argentina, Belize, Bermuda, Brazil, Chile, Guyana, Mexico, Peru,

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Henderson North American Exempt Trust

Henderson North American Exempt Trust offers a simple method for pension funds and charities to invest in the important U.S. markets which we believe represent good long term value. It is managed on a day-to-day basis by North American specialists in our organisation which has over 30 years of American investment experience.

Henderson Japan Exempt Trust

Henderson Japan Exempt Trust is a vehicle for pension funds and charities to invest in the fast growing Japanese markets. It is managed in Hong Kong by Henderson Baring Fund Managers Limited, a company owned jointly by Henderson Administration and Baring Brothers. The Trust was launched in September 1978 and has outperformed the Tokyo S.E. New Index by 22.1% (after adjusting for currency and premium movements). At present the fund is financed 66% through premium currency.

Deals for North American Exempt and Japan Exempt Trusts are weekly on Fridays and daily for Smaller Companies Exempt Trust. For further details please contact Colin Day, Henderson Administration Ltd, 11 Austin Friars, London EC2N 2ED. Telephone 01-588 3622.

Henderson Administration Limited

Member of the Unit Trust Association. Not applicable to EFTA.

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SAGA SAGA HOLIDAYS LIMITED

Preliminary Announcement of the Results for the year ended 30th June, 1979

The Directors of Saga Holidays Limited announce that the results for the year ended 30th June 1979 are as follows:

Table with columns: Year Ended 30th June 1979, Year Ended 30th June 1978. Rows include Turnover, Operating Profit, Interest on deposits, Exceptional item, Profit before taxation, Taxation, Profit after taxation, Dividends, Retained profit for the year.

\* The Directors are recommending a final dividend of 5p per share (1978-4.5p) to be paid on 14th December, 1979.

\* All areas of the company's business showed satisfactory growth in turnover. Profitability was good except in the cruise division where a loss of £419,000 was incurred on the charter of the TSS Atlas.

\* Bookings for the company's autumn, 1979, programmes have reflected a trend away from overseas and cruising holidays towards holidays in the United Kingdom. This had been foreseen and the growth and balance of the holiday programme was planned accordingly.

SAGA HOLIDAYS LIMITED, Enbrook House, Sandgate, Folkestone, Kent CT20 2BN

Allianz Versicherungs-AG

through a subsidiary of Allianz of America Inc.

has acquired Fidelity Union Life Insurance Company

We acted as financial advisor to Allianz Versicherungs-AG

Schroders

J. Henry Schroder Corporation, One State Street, New York, New York 10004



Group Gold Mining Companies
Orange Free State

Reports of the directors for the quarter ended 30th September, 1979

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL 19 440 000 shares of 50 cents each

Table with columns: Quarter ended, Year ended, and various financial metrics for Free State Geduld.

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PRESIDENT STEYN—Continued

DEVELOPMENT

Table with columns: Advance metres, Channel width, and various financial metrics for President Steyn.

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PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL 14 840 000 UNITS OF STOCK OF 30 CENTS EACH

Table with columns: Quarter ended, Year ended, and various financial metrics for President Brand.

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FREE STATE SAAIPLAAS—Continued

FREE STATE SAAIPLAAS—Continued

ISSUED CAPITAL 14 840 000 UNITS OF STOCK OF 30 CENTS EACH

Table with columns: Quarter ended, Year ended, and various financial metrics for Free State Saaiplaas.

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Table with columns: Quarter ended, Year ended, and various financial metrics for Free State Saaiplaas.

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL 7 496 378 shares of 50 cents each

Table with columns: Quarter ended, Year ended, and various financial metrics for Western Holdings.

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WELKOM

Welkom Gold Mining Company Limited

ISSUED CAPITAL 12 250 000 shares of 50 cents each

Table with columns: Quarter ended, Year ended, and various financial metrics for Welkom.

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FREE STATE SAAIPLAAS

Free State Saaiplaas Gold Mining Company Limited

ISSUED CAPITAL 28 200 000 shares of R1 each

Table with columns: Quarter ended, Year ended, and various financial metrics for Free State Saaiplaas.

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Table with columns: Quarter ended, Year ended, and various financial metrics for Free State Saaiplaas.

PRESIDENT STEYN

President Steyn Gold Mining Company Limited

and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL 14 840 000 shares of 80 cents each

Table with columns: Quarter ended, Year ended, and various financial metrics for President Steyn.

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Table with columns: Quarter ended, Year ended, and various financial metrics for President Steyn.

Table with columns: Quarter ended, Year ended, and various financial metrics for President Steyn.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

GENERAL NOTES

1. ORE RESERVES
2. DIVIDENDS
3. DEVELOPMENT
The Transvaal Group's results appear on another page in this paper.
Copies of these reports will be available on request from the offices of the Transfer Secretaries:
Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.
LONDON OFFICE: 40 HOLBORN VIADUCT, EC1P 1AJ

# Testing chapter in the Conder story

BY TERRY GARRETT

FROM A VILLAGE forge rented for 12s 6d a week to a £70m business dominating its industry in just 30 years sounds like the work of an agile entrepreneur.

Indeed Mr. Robin Cole, chairman of Conder, who is bringing his company to the market next month has been the driving force in taking Conder to the number one place in Britain for steel framed buildings. Yet it is no ordinary entrepreneur who gives away a large slice of his stake in the company to a staff trust and moreover a trust devoted to the conservation of the environment and combating the population boom.

Why now, as he enters his sixties, has he decided to bring Conder to the market and bring upon himself the pressures which go with the kudos of running a public company? Obviously there comes a point when a person wants to reap the financial rewards of a lifetime spent building up a business. But the Cole family controls less than 20 per cent of the equity so an offer for sale is not going to make Mr. Cole a multi-millionaire overnight.

The reasons for the coming flotation go deeper than financial gain. Mr. Cole's two children have not followed their father into the business and he sees a listing as a way of perpetuating the Conder name as an independent entity.

The Conder story goes back to 1947 when two engineers came together to get a small business going. They were Robin Cole and John Pinder.

They rented a small forge in Kingsworthy, near Win-



Mr. Robin Cole—no ordinary entrepreneur

chester, which became the "works" while a shepherd's hut, some 6 ft by 4 ft, was the "office." The forge itself was long established and so the two partners had an immediate clientele. The work took many forms; anything from mending pots and pans to agricultural trailers came their way.

It was the close association with the farming community which, almost by accident, was destined to put Conder on the map.

One of their first products was a machine called "Oliver." So called because it twisted wire, "Oliver" was designed to manufacture bale ties and the machines were soon turning out most of the ties consumed in the UK.

But it was not going to be "Oliver" that was to make Conder a big name. Within a

year of setting up shop, a farmer called Bridger wandered into the forge to see if the two men could make some roof trusses for a chicken house.

Mr. Cole will be the first to admit that Mr. Bridger knew more about constructing buildings than he did. However Mr. Bridger dug around the forge and found himself some steel channel and angles which he thought would do the trick.

Mr. Cole designed some roof trusses and with Mr. Bridger's invaluable help and a few asbestos sheets the chicken house was up and Conder was on its way.

By 1950 Conder was on the move, but so was Mr. John Pinder. The business left the forge to go to a new site on Winchester's industrial estate. The 40 ft by 55 ft building, Mr. Cole remembers, looked incredibly large at the time. Unfortunately, personal circumstances required Mr. Pinder to return to Warrington so his partner borrowed some money to buy out his share.

From the original chicken house other orders developed from the farming community. Until then established construction had taken the form of lattice trusses which resembled oversized cobwebs.

Conder's buildings were based on portable frames set in simple arches, which hardly seem revolutionary as we enter the 1980s, but in 1950 it was a very different matter. The new design was fast catching on and in the wake of farm outbuildings came orders for industrial developments.

But just as Conder looked as if it was really going to take-off it

ran into one rather important problem. It could not get enough steel.

Not to be done down the Conder team was soon out looking for scrap. Boilers from tramp steamers being scrapped at Grimsby—some 100 tons of tubing in all—and a quantity of old railway lines were to enable Conder to survive a further year. Today Conder buys 50,000 tons of steel from BSC a year.

During the 1950s and early 1960s the company advanced steadily. New products were developed, new workshops established and the company broke into the export market. Today a quarter of the group's sales go overseas to some 30 countries.

One of the major developments was the design of a multi-floor structure made from steel with concrete wall and floor units. The system is unique in that a shell can be put up in a matter of weeks enabling the contractor to do all the internal work in the dry.

This building system, known as Kingsworthy though it bears as much relation to the old forge as chalk does to cheese, can be used for a wide variety of purposes. The system has taken Conder away from a reliance on industrial and agricultural buildings and into the market for schools, offices, hospitals and other community buildings.

Initially Conder just put up the shell but it has recently entered the ancillary products area and ultimately it could end up constructing the whole building.

Sales have grown steadily from £11.5m in 1970 to £66.52m in calendar 1978, while trading

profits have come up from £275,505 to £1.85m. There has been only one slip during that time when trading profits fell in 1977 from £1.76m to £1.36m. It was a difficult year both at home and overseas according to Robin Cole and demand for Kingsworthy took a setback.

One of the major factors behind the company's success apart from its product is the involvement of its staff thanks to a staff profit sharing scheme.

The scheme is simple. A commercial return is deducted from profits and retained by the company. Costs are also deducted leaving a net figure which is split down the middle between employees and company. Profits are not lumped together for the complete group but taken individually for various companies within so the employee's return is directly linked to how well his particular operation did during the year.

The last accounts show 65 employees (excluding directors) out of just under 2,000 earning in excess of £10,000 each, and the average pay was close to £6,000 per worker.

The staff trust was established in 1970 to which Robin Cole gave some 22 per cent of the equity. The trust's function is to stimulate the employees' interest in taking a stake in the company. Interest-free loans can be arranged to buy shares and the trust can distribute its income to top-up dividends for employees.

The conservation trust has 10 per cent of the equity, and includes Sir Peter Scott as one of its trustees. Historically the

dividend on Conder's shares has been low, so the company tops up the trust's income directly to give it more scope. Last year, for example, the trust took about £13,000 in dividends but Conder added a further £23,000. Apart from major donations such as those to the World Wildlife Fund and various well known population charities, the conservation trust invests itself in many small projects under the guidance of Sir Peter Scott. It has subscribed to the Galapagos Darwin Institute, to help protect the island's wildlife.

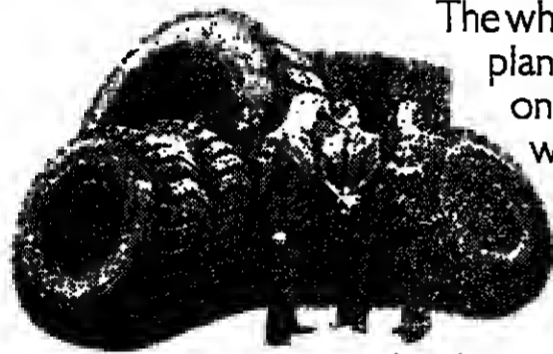
After the offer for sale Robin Cole envisages the share capital being split roughly three ways. The staff (including the Cole family) will hold one-third, the two trusts a further third and the public a third.

However some of the public shares are already in firm hands. Conder already has two major companies as minority shareholders. It owns 10 per cent of the capital and Wimpey 12 per cent. Both companies became involved when Conder made a major expansion in 1964. New factories were built simultaneously in Winchester and Burton-on-Trent, tripling the company's production capacity. Possibly these two might be tempted to liquidate part of their investment at the time of the offer, as shares in the offer will come from existing holders.

At heart Conder's management team are engineers, but investors will probably link the company closer to the construction industry because its fortunes are inextricably linked to new building demand.

## The Norwich way is knowing what makes the wheels go round.

This massive truck, towering above its driver, is one of a fleet of eighteen working round the clock for Derek Crouch Limited.



The whole fleet, like other plant and machinery on the site, is insured with Norwich Union. Derek Crouch value the advice they get from local engineer David Haines (on the right in the picture above). They appreciate dealing with someone who speaks their language;



someone who knows what makes the wheels go round.

With Norwich Union smaller operators throughout the United Kingdom enjoy just the same friendly contact with experts.

Whether you are concerned with plant and machinery or choosing a profitable life policy, this personal approach to insurance is characteristic of our special way of doing things; the Norwich Way.

Ask your broker about us.



### JOINT COMPANY ANNOUNCEMENT

## FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED

PRESIDENT BRAND GOLD MINING COMPANY LIMITED  
(Both of which are incorporated in the Republic of South Africa)

FREE STATE SAAIPLAAS NO. 3 SHAFT FINANCING

At the annual general meeting of Free State Saaiplass Gold Mining Company Limited (Free State Saaiplass) held in January 1979, the chairman, Mr. D. A. Ethredge, told shareholders that it had been agreed, in principle, that the company would be provided with finance to meet the cash flow problems caused by the financing of the new No. 3 shaft system.

The increase in the gold price and higher uranium profits have enabled Free State Saaiplass thus far to finance its requirements without utilising outside facilities. It remains the intention of the directors to finance any shortfall in Free State Saaiplass' requirements through temporary loans until June 30, 1980, when the position will be reviewed.

Agreement has therefore been reached between Anglo American Corporation of South Africa Limited (Anglo American Corporation), President Brand Gold Mining Company Limited (President Brand) and Free State Saaiplass in terms of which total loan facilities of up to R50 million have been granted equally by Anglo American Corporation and President Brand to Free State Saaiplass to finance that company's requirements until June 30, 1980, at commercial rates of interest.

Copies of this announcement are being posted to members of both Free State Saaiplass and President Brand.

By order of the board  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED  
Secretaries  
per: R. S. Edmunds  
Companies Secretary  
Johannesburg,  
October 18, 1979.

### COMPANY ANNOUNCEMENT

## PRESIDENT BRAND GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)  
PROPOSED NO. 5 SHAFT

The directors of President Brand Gold Mining Company Limited report that following an intensive drilling programme in the south-western portion of the company's mining lease area, and on the recommendation of the company's technical advisers, it has been decided to turn the area to account by sinking a shaft in the south-western corner of the lease area. The estimated unescalated capital cost of the shaft is R35 million. Including escalation the cost to completion is expected to be R125 million. For the time being expenditure will be met out of profits; however, with due regard to future dividend payments alternative methods of financing the project will be evaluated. Shaft sinking operations will commence in the near future and the shaft is expected to be commissioned during 1986.

The lives of the existing shafts are not in balance resulting in under-utilisation of the gold plant from approximately 1986 onwards. The spare capacity arising at the Nos. 2 and 4 shafts, will be used to boost rock trimmed from the No. 5 shaft area. The new shaft will initially be used for men and materials and ventilation and services only although the design is such that it could be expanded to supply full rock hoisting facilities should this become warranted.

The company is presently conducting drilling operations on the farms Jonkersrust 72 and du Preez Leger 324, which adjoin the company's lease area to the south. The mineral rights over those two farms are owned by Free State Development and Investment Corporation Limited.

Should the area prove to be viable, access from the new No. 5 shaft is possible.

Copies of this announcement are being posted to members. By order of the board  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED  
Secretaries  
per: R. S. Edmunds  
Companies Secretary  
Johannesburg  
October 18, 1979.

### BASE LENDING RATES

A.B.N. Bank	14%	Hill Samuel	14%
Allied Irish Bk.	14%	C. Hoare & Co.	14%
Amro Bank	14%	Julian S. Hodge	15%
American Express Bk.	14%	Hongkong & Shanghai	14%
A.P. Bank Ltd.	14%	Industrial Bk. of Scot.	14%
Henry Ansbacher	14%	Keyser Ullmann	14%
Associates Cap. Corp.	14%	Knowsley & Co. Ltd.	15%
Banco de Bilbao	14%	Lloyds Bank	14%
Bank of Credit & Cmce.	14%	London Mercantile	14%
Bank of Cyprus	14%	Edward Hanson & Co.	15%
Bank of N.S.W.	14%	Midland Bank	14%
Banque Belge Ltd.	14%	Samuel Montagu	14%
Banque du Rhone et de la Tamise S.A.	14%	Morgan Grenfell	14%
Barclays Bank	14%	National Westminster	14%
Bremar Holdings Ltd.	15%	Norwich General Trust	14%
Brit. Bank of Mid. East	14%	P. S. Refson & Co.	14%
Brown Shipley	14%	Rosminster	14%
Canada Perm't Trust	15%	Tyl. Bk. Canada (Ldn.)	14%
Cayzer Ltd.	14%	Schlesinger Limited	14%
Cedar Holdings	14%	E. S. Schwab	15%
Charterhouse Japbet	14%	Security Trust Co. Ltd.	15%
Chouartons	14%	Sherley Trust	16%
C. P. Coates	14%	Standard Chartered	14%
Consolidated Credits	14%	Trade Dev. Bank	14%
Co-operative Bank	14%	Trustee Savings Bank	14%
Corinthian Secs.	14%	Twentieth Century Bk.	15%
The Cyprus Popular Bk.	14%	United Bank of Kuwait	14%
Duncan Lawrie	14%	Whiteaway Laidlaw	14%
Eagat Trust	14%	Williams & Glyn's	14%
English Transcont.	14%	Yorkshire Bank	14%
First Nat. Fin. Corp.	15%	Members of the Accepting Houses Committee	
First Nat. Secs. Ltd.	15%	7-day deposits	11 1/2%
Antony Gibbs	14%	1-month deposits	11 3/4%
Greyhound Guaranty	14%	2-3 day deposits on sums of £10,000 and under	11 1/2%
Grindlays Bank	14%	12% and over £25,000 2 1/2%	
Guinness Mahon	14%	Call deposits over £1,000	11 1/2%
Hambros Bank	14%	Demand deposits	11 1/2%

### GENERAL SHOPPING S.A.

SOCIETE HOLDING INTERNATIONALE POUR LE COMMERCE DE DETAIL  
Notice is hereby given that the ANNUAL GENERAL MEETING of General Shopping SA will be held in the Conference Room of Banque Internationale S. Luxembourg SA, 2, Boulevard Royal, Luxembourg, on 31st October 1979 at 11.00 a.m.

- AGENDA
- Report of the board of directors and statutory auditors on the business year ended 30th June 1979.
  - Approval of the balance sheet and profit and loss account for the business year ended 30th June 1979.
  - Application of the new laws.
  - Discharge of the board of directors and the statutory auditors.
  - Elections.
  - Miscellaneous.

The resolutions on the agenda of the annual general meeting do not require a special quorum and will be passed by a simple majority of the votes of the shareholders attending, with the proviso that no person is entitled to vote for himself or by proxy for more than one-fifth of the issued share capital or two-fifths of the share capital present or represented at the meeting.

Holders of bonds issued by the company are entitled to attend the meeting but without voting power.

In order to be entitled to attend the above general meeting the shareholders—according to Article 27 of the Articles of Incorporation—must deposit their share certificates at least five days prior to the meeting (in this case on Thursday, 25th October at the latest) with the bank mentioned hereafter. Against deposit of share certificates the following bank in the United Kingdom will then issue attendance cards for the meeting.

WILLIAMS AND GLYNS BANK LTD., London

as well as all other banks assuring the financial services for the company in other countries.

For the board of directors:  
R. H. LUTZ, Chairman

Luxembourg, 3rd September 1979



INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

29% gain at Dow Chemical

BY OUR FINANCIAL STAFF
DOW CHEMICAL, third largest chemical group in the U.S., has lifted net earnings by 29 per cent to \$188.4m in the third quarter of the year.

months, and production in some cases exceeded 90 per cent of capacity, he said.
Union Carbide, second largest chemical group, has recorded an 85 per cent increase in third quarter net income, from \$80.7m or \$1.25 a share to \$149.4m or \$2.27 a share.

Sharp profits setback at Amdahl

BY OUR FINANCIAL STAFF
A HEAVY FALL in third quarter earnings is reported by Amdahl, the computer manufacturer, whose chairman and founder, Mr. Gene Amdahl, retired in August.

Tyremakers find the going tough in third quarter

BY DAVID LASCELLES IN NEW YORK
THE HARD-PRESSED U.S. tyre industry showed some slippage in earnings during the third quarter.

Kaiser Steel losses rise

BY OUR FINANCIAL STAFF
KAISER STEEL, operating loss for the third quarter rose to \$23.5m from a loss of \$6.6m last year.

Timber groups see slowdown following high interest rates

BY STEWART FLEMING IN NEW YORK
WARNINGS THAT high interest rates will probably result in a sharp contraction of activity in the housing industry were issued yesterday by two leading timber companies in the U.S.

Foremost gets \$648m offer

BY OUR FINANCIAL STAFF
FOREMOST MCKESSON, the San Francisco-based drug and food group, has received an offer worth some \$648m.

Kodak pessimistic on outlook

BY OUR FINANCIAL STAFF
ALTHOUGH Eastman Kodak, the world's largest producer of photographic products, announced a 20 per cent advance on earnings for the third quarter it gave a warning that results for the fourth quarter will reflect substantial increases in raw material costs and higher wages and benefits.

ERC directors reject take-over

BY OUR FINANCIAL STAFF
THE DIRECTORS of the Kansas City-based ERC Corporation have formally voted to reject the \$80 per share offer from Connecticut General Insurance Corporation, the fifth largest life insurance company in the U.S.

Fuel prices increases hit airlines

BY IAN HARGREAVES IN NEW YORK
THE CRIPPLING effect of soaring fuel prices and the grounding of the McDonnell Douglas DC10 airliners in July showed up yesterday in the quarterly earnings of two of the major U.S. airlines: American Airlines and Transworld Airlines.

Hard currency Eurobonds weak

BY FRANCIS GHILES
EUROBOND markets were virtually unchanged yesterday though prices of harder currencies continued to deteriorate.

Dome plans \$4.8bn capital spending

BY JOHN WICKS IN ZURICH
DOMO PETROLEUM, the Calgary-based company, forecasts capital expenditure of \$4.8bn in the five-year period 1979-83.

R. J. Reynolds payout

R. J. Reynolds Industries, the largest U.S. cigarette producer, has declared a two for one stock split and quarterly dividend of \$1.05 against 98 cents, both on the pre-split shares, reports Reuters from Winston-Salem.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

AMERICAN QUARTERLIES

Table with multiple columns listing financial data for various companies including Alberto-Culver, Continental Corporation, Fred S. James, Pullman, Trans Union, U.S. Gypsum, U.S. Industries, Warner Communications, and others. Columns include Revenue, Net Profit, and Net Per Share for various quarters.

INTERNATIONAL COMPANIES and FINANCE

34  
Companies and Markets

# Grundig is heading for further fall in profits

BY JONATHAN CARR IN BONN

GRUNDIG, the West German domestic electrical products concern, is heading for a further fall in profits this year (to March 31, 1980) on turnover likely to be little above that achieved in 1978-79.

But the company rates its medium-term prospects good, with a series of new products—particularly in the video field—soon to come on stream. The Olympics in Moscow next year should also boost colour television sales.

Last year Grundig lifted turnover by 7 per cent to DM 2.95bn (\$1.94bn), just missing its announced aim of crossing the DM 3bn mark. But net profits fell sharply to DM 96m (\$53m) from DM 148m in 1977-78. The company explains that it was badly squeezed on the domestic market by imported goods from the Far East—products in part on offer in West Germany because some neighbouring European countries had taken steps to limit their imports. The result was a flooding of the German market and a sharp fall in prices which has continued into the first half of the new business year.

On the other hand, Grundig was able markedly to increase its business abroad, raising overseas turnover by 16 per cent to DM 1.44bn. Foreign sales thus accounted for about 49 per cent of turnover against less than 45 per cent a year earlier.

During April-September this year Grundig about equalled its volume sales in the same period of 1978. But with the continued pressure on prices—more than 10 per cent lower than a year earlier for some products—earnings were down. The company now sees some scope to raise prices in the coming months but not enough to wipe out the setbacks sustained.

Despite these problems, Grundig sees good sales prospects for its new video recorder, jointly developed with Philips, for its big screen television "Cinema 9000" and its new hi-fi range.

As to its relations with Philips, Grundig merely underlines that the two concerns would co-operate in some limited sectors but planned to remain competitors on most markets.

# ENI bid for Monti refineries

BY RUPERT CORNWELL IN ROME

INTENSIVE NEGOTIATIONS are under way here for ENI, the state-owned oil concern, to take over at least part of the refinery and distribution interests of the financier, Sig. Attilio Monti, the largest such group in private hands in Italy.

Crisis has been forced upon Sig. Monti by his failure to secure adequate supplies of crude in the tight world oil market. As a result, his four refineries have been working this year at 50 per cent or less of capacity, and many of the 3,000 filling stations he operates under the Macb label have long been without supplies of petrol and diesel fuel.

Sig. Monti acquired the bulk of his oil industry interests when he took over, for £120bn (\$150m), British Petroleum's operations in Italy in 1973, on the eve of the first world energy crisis.

Since then his group's debts have spiralled, to stand by the end of June at over £650bn (\$800m), despite the sale of holdings in the tanker, distilling and sugar industries and the disposal of real estate owned by the 74-year-old financier.

Sig. Antonio Bisaglia, the industry minister, confirmed to Parliament yesterday that as a stop-gap measure he had instructed ENI to supply the Macb chain with 100,000 tonnes of petrol to make good immediate shortages.

Meanwhile, the state group has been given ten days to come up with firm proposals to acquire at least some of the petrol stations and other installations. ENI for its part is distinctly reluctant to take on the whole of Sig. Monti's refinery and distribution business, for fear that it might simply be involving itself in a very costly salvage operation with scant hope of corresponding industrial advantages.

Many of the Macb filling stations are uneconomic. ENI argues moreover that the four refineries, at Milazzo in Sicily, Ravenna, Piedmont and Gaeta on the coast between Rome and Naples, mainly produce less profitable "heavy" petroleum products.

Sig. Monti's plight is the firmest indication so far of the vulnerability of independent refiners now that supplies of oil are tight and that spot market prices are far above the agreed price of crude settled by the OPEC producers.

# Lower first half deficit from French retailer

By Our Financial Staff

PARIS-FRANCE, which is the subject of continuing takeover bids from retailers An Printemps and Radar, reports a modest reduction in loss for the first half of this year.

Before tax and provisions and dividend payments, Paris-France has incurred losses of FFr 1.66m (\$393,000) compared to a deficit of FFr 1.83m for the opening six months of 1978.

A public offer was made for Paris-France by An Printemps at the beginning of this month. It was for 19.9 per cent of capital of the stores chain at FFr 250 a share. This was rapidly followed by a counter-offer of FFr 350 a share from Radar for a similar percentage of the Paris-France capital.

The Radar offer placed a value equivalent to \$100m on the whole of Paris-France. The offer was accepted by the Paris-France Board.

Subsequently, a court action against Radar was brought by An Printemps alleging that Radar had made "irregular" purchases of Paris-France shares. However, the action was made in a civil court, whose president ruled that it did not have the jurisdiction to try the case.

Saunders Leasing System has filed a complaint against Societe Holding Gray D'Albion, a French holding company, seeking to prevent continued purchases of its stock by the French group.

AP-Dow Jones reports from Birmingham that the French company reported to the Securities and Exchange Commission that it owns about 12.9 per cent of Saunders's 2.9m common shares.

The complaint, filed in a U.S. court in Birmingham, Alabama, charges Gray D'Albion with violating the requirements of Federal securities laws. Marie Saunders Jr. is a tractor, trailer and truck-leasing concern.

# CCF to float FFr353m. loan

BY DAVID WHITE IN PARIS

CREDIT COMMERCIAL de France (CCF) the large private-sector French bank, is floating a FFr 353m (\$88m) convertible loan next week, its first such operation since 1971.

M. Jean-Maxime Leveque, chairman, said that CCF expects a 15 to 20 per cent rise in group net profit this year over last year's FFr 101m.

Because of provisions, he said, the rise would not be as sharp as in the first half, when consolidated net earnings went up by 55 per cent to FFr 50.7m.

Although parent company profit will progress more slowly than at group level, he said that the bank expects to increase its dividend from FFr 8.50 a share.

The 12-year convertible loan is made up of FFr 950 shares issued at par. They will be made available to shareholders from October 23, and to the general public from November 7. The bonds will carry a 9 per cent interest rate in the first four years, rising to 9.5 per cent in the next four and 10 per cent in the closing period of the loan, given a gross yield in the case of non-conversion of 10.3 per cent.

Repayment will be made in eight instalments from January 1984. The bonds will be convertible from October next year, on the basis of five of the bank's nominal FFr 75 shares for each bond. This works out at FFr 190 per share, some 14 per cent above the recent course price of around FFr 168.

The immediate aim behind the operation is to increase CCF's lending scope. Under government credit regulations, an increase in resources will expand the limits imposed on its credit growth. M. Leveque said that credit curbs risked becoming a durable feature of French banking.

At the same time, M. Leveque said, CCF wanted to keep up a high level of capitalisation in relation to its loan commitments, and to provide investment funds for further development.

A recent campaign launched by CCF to encourage clients to buy shares had increased the number of shareholders by 10,000 to between 27,000 and 28,000, M. Leveque said.

About 30 per cent of the bank's capital is held by major shareholders, including Williams and Glyn's, with none holding more than 4 per cent. Between 30 and 35 per cent is in the hands of institutional investors, and 35 to 40 per cent is held by small shareholders.

# MEDIUM-TERM BORROWING

## East Germany gains fine terms

BY FRANCIS GHILES

EAST GERMANY has joined the growing list of European borrowers who are able to raise syndicated credits in the Euro-markets on very fine terms. The country's foreign trade bank, Deutsche Auslandsbank, has arranged a \$200m ten-year loan through a group of banks led by Credit Lyonnais.

The borrower is paying a margin of 1 per cent for the first five years, rising to 1 per cent for the remainder, with four years' grace.

Meanwhile, Bulgaria, Foreign Trade Bank, is arranging a \$150m loan through a group of banks led by Bank of America. The borrower is paying a margin of 1 per cent over the interbank rate for seven years. Of the total amount, \$80m will be used to refinance the outstanding amount of a \$120m five-year loan the borrower completed with the same group of banks in April 1977, for which it paid a spread of 1 1/2 per cent.

Brazil's foreign debt will reach \$52bn by the end of the year, Oscar Lourenco Fernandez, chief co-ordinator of the International Division of the Ministry of Finance in Brasilia said on Wednesday. This estimate, reported by AP-Dow Jones, is \$2bn higher than the Ministry's last official estimate. Sr. Fernandez also said the country's current account deficit would reach \$10bn this year. The governor of the Central Bank, Sr. Ernane Galves estimated foreign reserves of \$10bn at the end of the year. This compares with \$11.9bn at the end of 1978.

Sources in the Ministry of Finance said that Brazil did not plan to return to the syndicated loan market this year after the \$1bn loan currently being arranged is completed.

# Downturn for Norwegian building supplies group

BY FAY GJETER IN OSLO

NORCEM, Norwegian producers of cement and building materials, foresees lower profits in 1979, despite higher turnover.

In the first eight months of the year, turnover rose to Nkr 1,970m (\$315.8m) from Nkr 1,920m in the same period of 1978. Of the rise, Nkr 215m reflected acquisitions.

Profits after depreciation and interest were Nkr 9m for the eight months against Nkr 37m. The group says that the Nkr 19 per tonne increase in the price of cement in the year was permitted to make this year (a dispensation from Norway's price freeze) only partly offset the higher price it has to pay for oil, and came too late to compensate for earlier cost increases.

# Reduced loss from Belgian metals group

By Our Financial Staff

BELGIAN metals group, Mines et Fonderies de Zinc de la Vieille Montagne, has stayed in the red for the first half of this year but its losses are lower than a year earlier.

In a statement which did not give figures, the company said that although the average zinc price had risen noticeably since the beginning of the year, returns were still insufficient. Costs, particularly for electricity, had risen.

In the full year 1978, the company made a net loss of BFr 876m (\$92.2m) after depreciation of BFr 434m. No dividend was paid.

The company expects its results for the full year to show a clear improvement over the 1978 figures. After the poor economic outlook for the zinc industry which affected last year's results, the company has benefited in the first half from improved sales prices.

Production has been well below full plant capacity levels, however.

Retailer, Delhaize, is to make a rights issue. Proposals will be put to shareholders in December. The capital of the stores chain stands at BFr 500m.

# Italian sugar concern cuts borrowings

Romana Zuccheri SpA reports a reduction in turnover to L19.8bn (\$33.88m) for the first half of this year from L27bn in the like period of 1978. The Italian sugar group also reports that its short-term debt narrowed to L56.4bn by the end of June, from L76.6bn last December, writes AP-DJ from Genoa.

## When business takes you to the ends of the earth, we'll fly you there.

# Dutch copier growth slackens

BY OUR FINANCIAL STAFF

ON SALES up from Ff1,916.07m to Ff1,935.24m (\$470m), the Dutch copier group Ocevan der Grinten, has turned in net profits for the first nine months of the current financial year of Ff1,282.4m (\$314.7m) against Ff1,284.2m last time.

This result continues the flatter trend in profits growth established during the first half, which was in marked contrast to the rapid expansion seen over the past few years. The group owns the UK company Ozalid.

The net profit represents earnings per share of Ff16.26, up from Ff15.90 last time. Operating profit moved ahead from Ff1,677.3m to Ff1,711.8m.

The group is to pay an interim dividend on November 1 of Ff1.4, up from Ff1.30 last time.

The European Options Exchange (EOE) is to introduce new July series for Dutch, Belgian and French options from October 22, following the expiry of the October series. Reuter reports from Amsterdam.

Striking prices for the new series are as follows, in guilders for Dutch options, Belgian francs for Belgian and French francs for French: Algemeene Bank Nederland call options

# Kuwait tightens dealing rule

BY OUR FINANCIAL STAFF

AN APPARENT attempt to discourage some of the outflow of Kuwaiti dinars from the local money market has been made by Kuwait's Ministry of Commerce and Industry, which has moved this week to enforce regulations against the trading of shares in non-Kuwaiti, Gulf-based companies.

The Ministry has shut the registers of the companies, and Abdul Wahab al-Nafisi, the Minister of Commerce and Industry, has asked Kuwaiti audit offices not to co-operate in the formation of any more of these companies.

The companies intended to be affected by these moves are those formed to avoid the Kuwaiti regulation banning the formation of public companies. The companies are largely Kuwait-based, most by prominent merchants here.

Businessmen, investors and brokers say, however, that the Ministry's actions will affect the companies very little, if at all. Shares can be registered by telegraph Bahrain or the Emirates, and investors interested in participating in the formation of a new Gulf-based company can simply fly to the Emirates or Bahrain for the subscription or, as a group, designate a representative to do it for them.

Trading in the shares of the Gulf-based companies has always been illegal in Kuwait, but it has been done so openly as to have an accepted flow of life. Share prices are quoted in the local newspapers daily. Every few months the Ministry warns brokers that such trading is illegal, and from time to time takes up individual cases, but after a while everything returns to normal.

Share prices in the Gulf-based companies fell after the Ministry announced its move against them and prices of some of the Kuwaiti stocks rose. But most observers here believe this to be merely temporary.

The oil-rich Gulf-based companies has come to a head in recent weeks with the formation of Gulf Investment Company in Bahrain. Under Bahraini company law, Bahraini citizens are not allowed to own shares in these companies. The 870m founders' issue was oversubscribed four times, mainly by Kuwaitis, and the \$25m open subscription is thought to have

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**KULIM (MALAYSIA) BERHAD**  
Kulim (Malaysia) Berhad announces that due to circumstances beyond the company's control, the circular letters and the provisional letters of allotment relating to its rights issue have not been issued as scheduled. The company proposes to issue the circular letters and provisional letters of allotment to shareholders on 24th October, 1979. Accordingly the relevant dates for the rights issue are as follows:  
Last day and time for splitting nil paid: 7th November, 1979 at 3 p.m.  
Last day and time for acceptance, renunciation and payment: 28th November, 1979 at 3 p.m.  
By Order of the Board,  
F. C. BENNETT, Director/Secretary.

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(Fully owned and supported by the Government of the Islamic Republic of Iran and operating according to British Banking laws and regulations)  
In the unofficially expressed opinion of members of the International Banking community, we are pleased that Bank Pars is ranked as one of the two most reliable banks operating in Iran.  
This opinion is based upon the fact that, despite all the administrative difficulties caused by the Revolution in Iran last year, Bank Pars with the confidence of its customers has met, unaided, all its commitments and continues to do so both in Iran and abroad.  
Bank Pars has extensive correspondent relationships with major banks all over the world. The management will be pleased to advise and offer confidential assistance to all their customers and all members of the Iranian community in the UK and abroad, whom we assure that their business and personal dealings with our London Branch will be conducted in complete confidence and in entire conformity with the practice of all other banks in the UK.  
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# SOUTH AFRICAN UNIT TRUSTS Index forges ahead to record levels

BY JIM JONES IN JOHANNESBURG

THE SOUTH AFRICAN unit trust index has reached record levels, 10 years after setting the previous high.

The country's unit trust industry, founded in 1965, had a period of boom in 1968 when the country's stock market rise stampeded investors into anything remotely to do with the stock market. But the peak of the market then heralded one of the worst post-war market declines.

The unit trust index started off from an end-June 1965 base of 91.9. Four years later, at end-June 1969, it reached a peak of 230.2, but within a year had fallen to 135.8.

Unit trust price setbacks, however, may tend to encourage small investors to stay abroad, in the hopes of better days, and, perhaps, more to the point, the dealers who bought at the top of the market, tended to hold their investments until a recovery in prices.

It had been widely predicted that once the unit trust index passed its 1969 peak, stale bulls would take their profits, albeit several years on. With the Johannesburg Stock Exchange's latest bull run, the conditions for such selling have been reached. By end-September, the index had surged to an all-time high of 258.9.

But, as yet, there has been no flood of sales. Nor has there been a flood of buying, however. Over the past few years, trust managers have been hampered by steady net purchases, running, for example,

U.S. \$15,000,000  
Floating Rate U.S. Dollar Negotiable  
Certificates of Deposit due 19th October, 1981  
**The Taiyo Kobe Bank, Ltd.**  
LONDON  
In accordance with the provisions of the Certificates, notice is hereby given that for the six months interest period, from 19th October, 1979, to 21st April, 1980, the Certificates will carry an interest rate of 14 1/4% per annum. The relevant interest payment date will be 21st April, 1980.  
**Merrill Lynch International Bank Limited**  
Agent Bank

مركز الأبحاث

INTERNATIONAL COMPANIES and FINANCE

Liquidity levels set for Hong Kong finance houses

BY PHILIP BOWRING IN HONG KONG

THE HONG KONG Government has introduced the long-awaited legislation to impose liquidity requirements on deposit-taking finance companies. Simultaneously it has made changes in the Banking Ordinance, which governs the operations of licensed banks, to redefine liquid assets and to extend their range. Both measures, however, are strictly supervisory in objective. Contrary to widespread expectations here, the Government has avoided relating the changes to monetary policy.

For the past year the Government has been concerned about the rate of growth of money and credit. Many had expected that it would use the occasion of the long-berated legislative changes to force stricter monetary discipline on the banks—changes which have doubled their advances in the past two years.

At present short-term offshore interbank deposits count as liquid assets but are not netted off against liabilities to banks overseas, as happens in the case of similar transactions within Hong Kong. This accounts in part for the anomaly that the proportion of loans to deposits of banks in Hong Kong at the end of August was at a near record 84.6 per cent, while the same banks' overall liquidity ratio was at a level of 49.2 per cent.

The legislation introduced sets moderate, two-tier liquidity levels for deposit-taking finance companies. The precise levels are not spelled out in the law, as the Financial Secretary will have the power to determine them. But the Government says that initial levels will be 30 per cent of short-term (seven days or less) deposits and 15 per cent on other deposits. They become effective on January 1.

The ratios compare with the overall 25 per cent ratio required of banks. The Government decided on different liquidity levels because the liability structures of banks and financial companies here differ widely—time deposits account for 84 per cent of finance company deposits, compared with only 36 per cent at banks. Assets that qualify as liquid for finance companies will be the same as for banks. Principally they will be demand and short-term claims on other banks or finance com-

CNA well ahead after six months

By Jim Jones in Johannesburg

CNA INVESTMENTS, the South African periodical, book and audio equipment retailer, has reported a 32.5 per cent rise in pre-tax profit in the first half of 1979-80 to R1.25m (\$1.5m), from R944,000 in the same period last year. Turnover rose by 13.4 per cent to R32.5m (\$39m), from R28.7m.

Normally, CNA reports up to 80 per cent of total earnings during the second half of the year, and the management is confident that this pattern will be repeated during the current period. For the whole of last year, to February 28, a pre-tax profit of R3.43m was reported, on turnover of R85m. But last year was effectively one of consolidation. This year, in expectation of a surge in consumer spending, the group plans to open 24 new retail outlets and expects a material improvement.

As the main thrust of this year's expansion programme is concentrated in the retail sector, however, a cautious interim dividend policy has been adopted. On first-half earnings per share of 18.9 cents, against 13.5 cents, an unchanged 5 cents payment has been declared. Last year a final dividend of 15 cents was declared and the Board is confident that this will be improved upon this year. CNA is 51 per cent owned by Argus Printing and Publishing, the South African press group. Following the improved interim results, the shares were unchanged in Johannesburg at 300 cents.

Greatermans plans closures

By Our Johannesburg Correspondent GREATERMANS STORES, the South African supermarket and department stores chain, has taken steps under its new management to improve the overall performance of the loss-making department stores division with the closure of two outlets in Johannesburg and Durban.

The closures have caused little surprise to Johannesburg investors, although they will mean further write-offs against profits, following exceptional write-offs of R8m (\$9.7m) in the year to June 30. These resulted in a trading loss of R3.6m for the period, compared with a profit of R7.3m in the previous year.

Nisshin Steel sees good first-half

BY DONALD MACLEAN

NISSHIN STEEL—the Japanese integrated steelmaker, and the country's largest manufacturer of stainless steel products—expects to report profits for the first half of the current financial year approaching the relatively high level for the second half of last year. Mr. Saaji Hayashi, senior managing director, said in London.

Net profits for 1978-79 as a whole were ¥8.5bn, against ¥5.8bn in 1977-78 on sales up to ¥294bn from ¥284bn. In the second half of the current year, however, the company expects to suffer to some extent from the effect of oil and non-ferrous metal price increases, and from a slow down in exports, among other factors. It believes, on the other hand, that it will benefit from the Japanese economy having estab-

lished itself on a stable growth path.

In the six months to March, the company made net profits on a parent company basis of ¥5.5bn (\$23.6m), or 143 per cent more than the depressed level in the same period of the previous year. Recurring profits for the half were up 228 per cent to ¥12.65bn, while sales of ¥151.78bn (\$655m) showed a gain of 11.5 per cent.

The company's policy is to hold its investment within the range of interally generated funds. It is, nevertheless, considering an international bond issue "some time next year."

Advance at Singapore hotel group

By George Lee in Singapore OVERSEAS UNION Enterprise (OUE), the owner of one of Singapore's top hotels, the Mandarin—has reported a strong upsurge in group profits for the first half-year, ended June.

Group pre-tax profit for the half-year was S\$5.59m (U.S.\$7.6m) for an increase of 31 per cent over the comparable period last year. Turnover rose at the slower pace of 13.5 per cent to S\$7.2m (U.S.\$12.7m). OUE has declared a gross interim dividend of 5 per cent.

Paul Y wins office contract

SINGAPORE—Paul Y Construction (Singapore) Pte has secured the main contract to build the 48-storey Raffles Tower office building in Raffles Place, Singapore, the company announced.

The S\$70m (U.S.\$33m) contract involves construction of the project's superstructure and second stage excavation work on the 5,274 square metre plot. Paul Y also undertook the first stage of excavation work earlier this year for about S\$1m. Work on the main contract began on October 1 and is scheduled for completion early in 1982.

change of address

THE FUJI BANK, LIMITED

wishes to advise you that, with effect from Monday 22 October 1979, the new address of our London Branch will be:

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NEW ISSUE

These securities having been sold, this announcement appears as a matter of record only.

OCTOBER 1979

U.S. \$150,000,000

Kingdom of Sweden



Floating/Fixed Rate Bonds Due 1991

Credit Suisse First Boston Limited

Skandinaviska Enskilda Banken PKbanken Svenska Handelsbanken

Table listing various international banks and financial institutions participating in the U.S. \$150,000,000 bond issue for the Kingdom of Sweden.

NEW ISSUE

These securities having been sold, this announcement appears as a matter of record only.

OCTOBER 1979

U.S. \$100,000,000

Republic of the Philippines



Floating Rate Notes Due 1986

Credit Suisse First Boston Limited

Table listing various international banks and financial institutions participating in the U.S. \$100,000,000 floating rate notes issue for the Republic of the Philippines.



APPOINTMENTS

**DIRECTOR**  
LONDON OFFICE  
Merseyside County Council is unique among local authorities in having an Official Representative in London. Merseyside's "London Embassy" was opened in 1973 with the task of attracting industry to this area and representing the interests of Merseyside in the capital.

The County Council has now set up the Merseyside Economic Development Office (MERCEDO), to spearhead the Council's efforts to promote the economic, industrial and commercial development of the area through a vigorous marketing policy. Under this new organisation the London Director, while working within MERCEDO, is answerable on policy matters directly to the Chief Executive.

The present Director is retiring and the County Council see his successor as a rare combination of top level salesman, diplomat, lobbyist and estate agent!

A proven record in communicating with and influencing businessmen, management and the media at the highest levels is essential. Experience of central or local government and familiarity with Fleet Street, Whitehall and Westminster would be additional advantages.

Application forms, returnable by 5th November 1979, and further details from the County Personnel and Management Services Officer, Merseyside County Council, P.O. Box 55, Metropolitan House, Old Hall Street, Liverpool, L69 3EL (Tel: 051-227 5234 Ext. 2332).

**Merseyside County Council**

**National charity seeks CHIEF EXECUTIVE OFFICER**

National charity with HQ in Kensington, seeks Chief Executive Officer.

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Apply in writing to: Acting Chief Executive Officer, Distressed Gentlefolk's Aid Association, Vicarage Gate House, Vicarage Gate, London W8 4AQ.

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A vacancy exists for a Senior Lecturer/Associate Professor in the Department of Commerce. Applicants must be eligible for membership of an Australian professional accountants' Association. Experience in teaching of a tertiary level and practical experience in teaching, public practice or industrial management are highly desirable.

The appointee will have prime responsibility for the development of teaching and research in one or more of the areas of financial accounting, auditing, accounting-computer applications and financial management. An appointee of the level of Associate Professor will assume responsibility for co-ordinating teaching and research in an appropriate group of these areas within the Department. Liaison with the professional accounting bodies, the Institute of Chartered Accountants and the Australian Society of Accountants, will also be a responsibility of the appointee and membership of both these bodies would be an advantage.

The salary range for Senior Lecturer is \$42,855.47 p.a. and the salary for Associate Professor is \$42,855.47 p.a.

Applications close on 30 November 1979.

Further particulars and application forms obtainable from the Association of Accountants' Generalisation (A.A.G.), 38, Gordon Square, London WC1H 0PF.

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**LEGAL NOTICES**

The following is a notice which has been published in the Swiss Official Gazette in accordance with Swiss Law concerning the procedures under the Scheme of Arrangement for Banks and Savings Banks.

**BANQUE DE CREDIT INTERNATIONAL GENEVE**

EN LIQUIDATION CONCORDAIRE  
Solon l'article 260 LP, le messa offre la cession d'un ensemble d'actifs et de droits en accord avec les lois de la République de Suisse et de Portugal pour le montant de CHF 1,000,000 (en million de francs suisses) à parer comptant. L'acquéreur devra être agréé dans le quinquain suivant la publication. Pour tous renseignements complémentaires, s'adresser au siège de la Banque.

Geneve, le 6 Octobre 1979. Les Liquidateurs.

**ANNOUNCEMENTS**

Dr. & Mrs. Geoffrey Dymond have pleasure in announcing the marriage of their elder son **ANTHONY SIMON** on October 20th 1979.

The ceremony will take place at St. John's Wood Synagogue followed by a reception at their home in Campden Hill, W.8.

**CLASSIFIED ADVERTISEMENT RATES**

Commercial and Industrial Property Residential Property Appointments Corporation Loans. For further details write to Classified Advertisement Manager, Financial Times, 10, Cannon Street, EC4A 3DF.

**PUBLIC NOTICES**

**DEPARTMENT OF TRANSPORT**  
TOWN AND COUNTRY PLANNING ACT 1971

The Minister of Transport hereby gives notice that he has made an order under s. 20B of the above Act in relation to the planning area of the City of London (No. 3) Order 1979.

The order is made under s. 20B of the Act and is subject to the provisions of the Town and Country Planning Act 1971 and the Town and Country Planning (General) Regulations 1971.

Any person who is aggrieved by the order may appeal to the High Court for the order to be set aside or to the High Court for the order to be varied.

The appeal must be made within 21 days of the date of the order or of the date of the publication of the order in the London Gazette.

S. S. WILSON, An Assistant Chief Engineer.

**YNYS MON ISLE OF ANGLESEY BOROUGH COUNCIL**

**REDEEMABLE RATE RECEIVABLE STOCK 1983**

The Council of Ynys Mon Isle of Anglesey announces that the high yield redeemable rate receivable stock will be issued on 15th April 1980 at a price of 100.000 p.100. The interest rate will be 12.5% (gross income tax free) and the maturity date will be 15th April 1983.

Applications for the stock should be sent to the Council, Ynys Mon Isle of Anglesey, Gwynedd, North Wales.

**Group Secretary**

for a publicly quoted industrial group with subsidiary companies throughout the UK. The group headquarters is in the North West.

- RESPONSIBILITY is for the Group Secretariat, including insurances, pension fund administration and head office services.
- AN EXPERIENCED COMPANY SECRETARY is required, holding an appropriate professional qualification and who can demonstrate a successful record at the centre of a substantial industrial or commercial group.
- SALARY around £15,000.

Write in complete confidence to C. A. Riley as adviser to the company.

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- A SUCCESSFUL RECORD in industrial sales and marketing is an essential requirement. Ideally this will include a period in a similar creative role within a significant group, and some general management experience would be relevant.
- SALARY INDICATOR is well into five figures. Age: 35 plus. Location: East of Scotland.

Write in complete confidence to P. Craigie as adviser to the group.

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**COMPANY NOTICES**

**ANGLO AMERICAN CORPORATION GROUP ORANGE FREE STATE GOLD MINING COMPANIES**

FINAL DIVIDENDS - FINANCIAL YEARS ENDING 30TH SEPTEMBER 1979

On October 18, 1979 dividends were declared in the South African currency, payable to members registered in the books of the independent companies at the close of business on November 2, 1979, and to persons presenting the relevant coupons marked "South Africa", detached from shareholders' warrants to bearer.

The transfer registers and registers of members will be closed in each case from November 2 to November 19, 1979, both inclusive and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or before November 2, 1979. Registered members from the United Kingdom will receive the United Kingdom currency equivalent on November 27, 1979, at the rate of 1 South African Rand to 2.00 United Kingdom pounds sterling. Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before November 2, 1979.

Holders of share stock warrants to bearer are advised that the dividends are payable on or after October 7, 1979, upon presentation of the respective coupons marked "South Africa" at the offices of Natlady National Bank Limited, South African Branch, One West and Diamond Streets, Johannesburg, South Africa; Union Bank of Switzerland, Bahnhofstrasse 45, Zurich, Switzerland; Credit du Nord, 11 Boulevard Haussmann, 75009 Paris, France; and Banque Paribas, 100 Boulevard de la Reine, 1000 Brussels, Belgium. Only coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked "South Africa" may, at the request of the bearer, be converted into sterling and the proceeds in sterling to be deposited in the Republic of South Africa into any currency. The effective rate of exchange for the conversion of the proceeds of the dividends at the time the proceeds of the dividends are deposited with the authorised dealer is 2.00 South African Rand to 1.00 United Kingdom pound sterling.

The effective rate of non-resident shareholders' tax for all the endorserment companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the transfer secretaries in Johannesburg and the United Kingdom.

Name of company each of which is incorporated in the Republic of South Africa	Dividend No.	Coupon marked "Africa" No.	Rate of dividend per share/warrant of stock
Free State Gold Mines Limited	45	49	235 cents
Orange Free State Gold Mines Company Limited	49	51	180 cents
Orange Free State Gold Mines Company Limited	49	50	117.5 cents
Western Gold Mines Company Limited	45	—	87.5 cents
Western Holdings Limited	49	—	87.5 cents

**FREE STATE SAARPLAAS GOLD MINING COMPANY LIMITED**

The directors of Free State Saarlpaas have decided that no dividend will be paid by the company in the financial year ending 30th September 1979 because all available cash resources are to be utilised for the financing of the new No. 3 shaft system.

In regard to financing the No. 3 shaft system, loan facilities of up to £20 million have been granted to the company by the Industrial Development Corporation of South Africa Limited.

By Order of the Board  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED  
per R. S. EDWARDS  
Company Secretary  
44 Main Street, Johannesburg 2107  
(P.O. Box 61587, Marshalltown 2107)

Office of the United Kingdom Transfer Secretaries: Charles Compagnon Limited, 44 Main Street, Johannesburg 2107 (P.O. Box 61587, Marshalltown 2107), South Africa.

JOHANNESBURG October 18, 1979.

**N.V. ENGLISH-HOLLANDSCHE BELEGGENDE TRUST**  
ENGLISH AND DUTCH INVESTMENT TRUST  
Established in Amsterdam

**PARTICIPATION CERTIFICATES**  
NOTICE IS HEREBY GIVEN that the net asset value (excluding of a participation certificate) as at 30th September 1979, being the official date of valuation, is 197.95 p.100.

HOLLANDESE KOOPMANSCHEK N.V.  
Saraatstraat 14a, Amsterdam 1016 CA, The Netherlands.  
19th October 1979.

**JAMES BEATTIE LIMITED**  
NOTICE IS HEREBY GIVEN that the Transfer Books relating to the 6.5% First Mortgage Debenture Stock 1964-80 of the Company will be closed from 5th to 15th November 1979, both dates inclusive, by Order of the Board.

71-78 Victoria Street, Wolverhampton.

**THE ROYAL BANK OF CANADA**  
DIVIDEND No. 369

NOTICE IS HEREBY GIVEN that a Dividend of 58 cents per share upon the said 6% Debenture Stock has been declared for the current quarter and will be paid on or after November 23rd, 1979 to shareholders of record at the close of business on October 24th, 1979.

By Order of the Board,  
Executive Vice President and Chief General Manager

**PERSONAL**

GPO LONDON: Stationers' Hall, 1-11, Abchurch Lane, London EC4A 3DF.

APPOINTMENTS

**Changes at Pearl Assurance**

Mr. E. T. Blythe is to become a deputy chairman of the PEARL ASSURANCE COMPANY on November 1, 1979, and Mr. T. W. Lewis is to be a deputy chairman from February 1, 1980. Mr. T. J. Leech returns as a deputy chairman and from the Board at the end of this month and Mr. A. C. Edwards returns as a deputy chairman and as a director on January 31, 1980. Mr. S. J. McJannet will be the president of the company and from the Board on February 29, 1980.

Mr. W. Morris has been appointed LLOYD'S REGISTER'S senior principal surveyor for electrical, engineering and industrial services for Australia and New Zealand. This is a new appointment which will incorporate the duties at present carried out by Mr. F. V. Whitham, principal engineer surveyor for Australia, who is retiring this month.

Mr. Robert E. Lyman and Mr. Derek J. Whitaker have joined the Board of ROCKWARE GROUP. Mr. Lyman is managing director of Rockware Plastics Industries and Mr. Whitaker managing director of Rockware Glass.

Mr. E. Rose has been reappointed as member of the consumers' committee of the MEAT AND LIVESTOCK COMMISSION. Mr. J. M. Saunders has become a member in place of Mrs. A. M. Rice.

Mr. James Walker-Love and Mr. Leslie D. Randall have been appointed members of the MEAT AND LIVESTOCK COMMISSION. Mr. Walker-Love will also serve as deputy chairman.

Mr. F. A. Mack has joined the K ECHTLE BROTHERS GROUP and will be appointed in the Board. Mr. Mack is assuming responsibility for the UK activities as managing director, McKechtle Britain. He was previously director in charge of Carborundum Europe's engineering products companies.

Mr. R. G. Middleton has been appointed a non-executive director of BABCOCK INTERNATIONAL. He is senior partner of Coward Chance, solicitors.

Mr. Peter Perry has been appointed director of training, CHEF AND BREWER. He was in the Royal Navy from 1956 to 1975 and then joined P&O.

Mr. T. Anthony Lewis has joined the London office of MOSELEY HALLGARTEN ESTABROOK AND WEEDEN INC., members of the New York Stock Exchange. Mr. Lewis is a director of Charles Clifford Industries and also Chairman.

Mr. R. P. Hill and Mr. J. W. Bell have joined the Board of LYON DE FAUBE LTD. Mr. R. Baden-Powell has been elected a director of Lyon de Faube (UK).

WIGHAM POLAND GROUP has appointed Mr. Ian Eggleston as assistant managing director of Wigham Poland L and P and Mr. Patrick Barker has become director responsible for sales and marketing. Mr. Colin Sewell joins the Board of Wigham Poland Pension Consultants.

Mr. James H. Lennan, Jr., has been appointed European director of UNITED STATES MEAT EXPORT FEDERATION at its London Office from November 8.

Mrs. Jean Waddy, a former Conservative MP in the Canadian Federal House of Commons from 1955 to 1968, has been appointed Canadian High Commission liaison officer to the Hon. Mr. Paul Martin, who is retiring at the end of this month.

Mr. Ron Beaulieu, managing director of Centre-file, is to take up a new appointment as senior manager of the international banking division of the parent concern NATIONAL WESTMINSTER BANK in April 1980. Mr. Terry Smith will become managing director of Centre-file on January 14.

Mrs. Sara Murrell is to join the Board of the ABBEY NATIONAL BUILDING SOCIETY on November 1. Mrs. Murrell holds an appointment with the General Electric Company and is chairman of the National Council of Social Services.

Mr. A. J. Simmonds has been appointed managing director of F. MILTON AND SONS, a member company of Allied Breweries (UK). He was previously responsible for sales and marketing for Simmonds, and of Simms Engineering of Stockport.

Mr. J. A. S. Clementson, chairman and chief executive of RECHITT AND COMPANY, has been elected president of the

The telephone of the future

**Ez phone**

Remote cordless telephone system

- Award Winning Design
- Completely portable
- No plugging in
- No trailing leads
- No knotted cords

With an Ez phone you can make and receive mobile calls anywhere in or around the house. Upstairs, downstairs, in the patio, by the pool - in fact, wherever you happen to be sitting, sitting or moving around.

It's an invaluable timesaver in business, too - on the factory floor or building site, or in department stores, warehouses and offices.

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Write or telephone for full details to:

**BPA CONSUMER PRODUCTS**  
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Ensworth, Hants.  
Telephone: 02434 2430  
24 hour answering service  
A division of the BPA group of companies.

"Bloody Marvellous.. we get a problem - you get an opportunity" Says Lyndon Humphries of Blaenau Gwent.

Like other special development areas around Britain, we could feature majestic mountain scenery or happy executives fishing for trout in wild waters... but our greatest assets are Lyndon Humphries and his mates. Many of them from Ebbw Vale Steelworks and together they established one of the finest work records in European history.

**For 40 years there was no major industrial dispute at Ebbw Vale Steelworks.**

Lyndon Humphries and his mates are proud of this record. They are typical of the total force of experienced workers with different skills, resident in Blaenau Gwent.

**Financial inducements are exceptional**

Normal special development area incentives are available which together with additional benefits available in a steel closure area amount to the best financial package offered to industrialists in Great Britain.

This is the opportunity that is waiting for industrial development in Blaenau Gwent - a perfect location for work close to the M4 and M5 motorways. A perfect place to live - surrounded by some of the finest unspoilt countryside in Britain, on the edge of a National Park.

Send the coupon to, or telephone, Roger Leadbeter, who will be pleased to discuss your special requirements.

**BLAENAU GWENT opportunity looking for Industry**

Roger Leadbeter, Chief Executive, Borough of Blaenau Gwent, Municipal Offices, Gric Centre, Ebbw Vale, Gwent, NP23 6XB Tel: Ebbw Vale 303401

I am interested in moving to Blaenau Gwent.

Name Position

Company

Address



COMMODITIES AND AGRICULTURE

Companies and Markets

Selling wave hits coffee

BY RICHARD MOONEY
A NEW wave of selling pushed coffee prices still lower on the London futures market yesterday. The January quotation ended the day \$1.5 lower at \$174.5 a tonne and has now fallen nearly \$100 so far this week.

Taxes anger Brazilian growers

FINANCIAL TIMES REPORTER
BRAZIL'S COFFEE growers are becoming increasingly vociferous in their protests at Government policy. On October 11, producers in Franca, Sao Paulo state, burnt a symbolic 16 bags of the product in the street.

222 per cent, and diesel 300 per cent. Furthermore, the Government has raised the support prices on other agricultural products by considerably greater margins - 40 per cent on cotton and 110 per cent on soya. This is leading to a gradual abandonment of coffee, particularly in the case of Parana state.

Milk sales hit by cornflake 'famine'

BY OUR COMMODITIES STAFF
THE SHORTAGE of cornflakes caused by the Kellogg's strike led to a 2 per cent fall in milk consumption during September, the Milk Marketing Board said yesterday.

UK AGRICULTURE

Mr. Walker's policy puzzles

BY CHRISTOPHER PARKES
MR. PETER WALKER, now five months into his new job as Minister of Agriculture, is still having some difficulty finding his feet and building happy relationships with the industries for which he is responsible.

French imports swamp British apple market

BY OUR COMMODITIES STAFF
A FLOOD of Golden Delicious apples from France swamped the British market, depressed prices and forced many British growers to hold their crop in store in the hope that conditions may improve later in the season.

Higher French farm output predicted
PARIS—French agricultural production will be an estimated 4 per cent higher in 1979 than last year, the president of the Assembly of Chambers of Agriculture, M. Louis Perrin, said yesterday.

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Malaysia expects tin price cut

BY OUR COMMODITIES STAFF
MALAYSIA IS likely to earn less from its tin exports next year, according to the country's Finance Ministry.

Strike starts at nickel refinery
WORKERS AT Inco Europe's nickel refinery at Clack, South Wales, voted yesterday to reject the company's last offer on terms of a new annual contract and to continue the strike that started on Wednesday midnight.

BRITISH COMMODITY MARKETS

Table with columns for COMMODITY, UNIT, and PRICE. Includes sections for BASE METALS, COPPER, ZINC, and COCAOA.

PRICE CHANGES

Table with columns for COMMODITY, UNIT, and PRICE. Includes sections for RUBBER, SOYABEAN MEAL, and SUGAR.

AMERICAN MARKETS

Table with columns for COMMODITY, UNIT, and PRICE. Includes sections for GOLD AND SILVER, WHEAT, and COFFEE.

EUROPEAN MARKETS

Table with columns for COMMODITY, UNIT, and PRICE. Includes sections for WHEAT, COFFEE, and SUGAR.

I.G. Index Limited 01-351 3466. March Sugar 156.75-158.55. 2. Tax-free trading on commodity futures.

INSURANCE BASE RATES. Property Growth 131%. Vanbrugh Guarantee 121%.

COMPANY NOTICES. Notice to Bondholders. Norsk Hydro a.s. 9% Bonds due 1991.

NITTO ELECTRIC INDUSTRIAL CO., LTD. US\$15,000,000 PER CENT CONVERTIBLE BONDS 1992.

Notice to Bondholders. Norsk Hydro a.s. 9% Bonds due 1991.

Notice of Rate of Interest. HILL SAMUEL GROUP LIMITED. FLOATING RATE NOTES DUE 1992.

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Notice of Rate of Interest. HILL SAMUEL GROUP LIMITED. FLOATING RATE NOTES DUE 1992.

COFFEE. Substantially weaker than due, as steps were touched with the trade selling into new lows.

WHEAT. The UK Monetary Commission for the week beginning Monday, October 22, is expected to remain unchanged.

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SUGAR. LONDON DAILY PRICE (raw sugar). 143.00 (same) a tonne c/f for Oct-Nov. shipments.

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MEAT/VEGETABLES. SMITHFIELD—Pork per pound. Best 1.12-1.14, 1.15-1.16, 1.17-1.18, 1.19-1.20.

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Table with columns for COMMODITY, UNIT, and PRICE. Includes sections for WHEAT, COFFEE, and SUGAR.

LONDON STOCK EXCHANGE

Companies and Markets

Oil shares active in otherwise lack-lustre markets Money supply figures make little impression on Gilts

Account Dealing Dates

Option
\*First Declara- Last Account
Dealings Dealings Day
Nov. 3 Nov. 15 Nov. 16 Nov. 26

With the exception of Oils and associated stocks with North Sea interests, equity markets passed another drab trading session yesterday. The prospect of higher oil prices following Sheikh Yamani's warning that there is little that Saudi Arabia can do to prevent further rises sparked off a busy trade in Oil shares which closed with substantial gains throughout the list. British Petroleum were well to the fore and closed 14 up at 382p.

This apart, the downward drift in the equity markets continued. Once again, selling pressure was only light but, as on Wednesday, potential investors showed a marked reluctance to commit their funds, while professional operators were content to await guidance from the views of last night's speakers at the Mansion House dinner.

slightly disappointing, however, and later in the session the gains were halved. Business in longer-dated stocks was thin and the market currently displaying some sensitivity, quotations tended to ease a shade.

Largely on the efforts of one buyer optimistic about the London talks reaching agreement on the outstanding Rhodesian issues, Southern Rhodesian bonds moved up sharply. The 2 1/2 per cent 1985/70 jumped 9 points to 296 and the 6 per cent 1978/81 jumped 3 points to 213, both prices being new peaks for the year.

Once again, the fluctuation in rates for investment currency was modest and after a small two-day business the premium closed a net 1/2 easier at 32 1/2 per cent. The market's sensitivity to the factor was 0.9181 (0.9154).

Standard Chartered continued to retreat following Midland Bank's unsuccessful attempt on Tuesday to place its entire 16 per cent holding in the company and finished a further 9 lower at 466p, a reaction of 33 since Monday's close. Elsewhere, the major clearing banks took a modest turn for the better. Lloyds put on 5 to 305p as did NatWest to 345p, while Barclays hardened 3 to 459p. Comment on the disappointing interim report of the bank's earnings at 89p, but Smith St Aubyn hardened 2 to 100p an further consideration of the satisfactory half-yearly statement. London Scottish Finance moved up 3 to

68p on demand in a thin market. Apart from a marginal improvement to 37p, after 38p, in Christopher Moran following Press views on the interim figures, little of interest occurred in Insurances, which ended narrowly mixed.

Reports of a strike at the company Barton brewery depressed Allied 2 1/2 off at 94p. Other leading Breweries traded quietly with little alteration to the overnight levels. Distillers eased back to 227p following the previous day's gain of 7 which stemmed from settlement of the whisky dispute.

Travis and Arnold, at 244p, gave back 14 of the previous day's speculative advance of 30 following the directors' denial of a bid approach. Elsewhere in Building, Istock Johnson shed 6 to 76p, after 74p, on the proposed 50m rights issue, while USM eased a penny to 72p despite half-yearly profits in line with market estimates. Ben Bailey, a particularly good market since Tuesday on the sharply higher annual profits and dividend increase, ran back 5 to 18p on profit-taking. Housebuilders, Arcliffe added that much to 50p on speculative buying, but John Finlan came on offer and shed 4 to 76p. Recently dull Aberthaw Cement rallied 5 to 122p. In Paints, Manders eased 4 to 176p and Leyland fell 2 to 61p in reflection of its oil interests. Plym put on 11 to 107p as bid hopes revived, but Coates Brothers A shed 3 to a 1979 low of 64p.

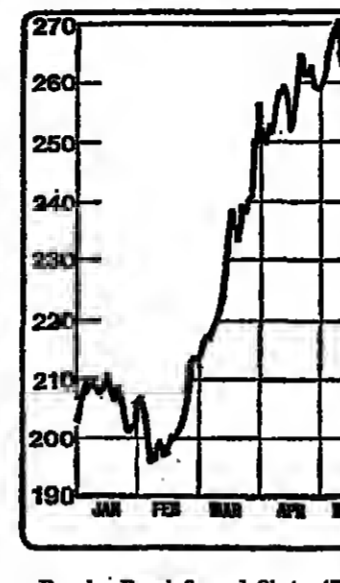
Lee Cooper jump
Lee Cooper highlighted Stores with a jump of 19 to 272p, after 273p, in response to the sharp increase in the interim dividend and a near 80 per cent rise in first-half earnings. Grattan Warehouses continued to attract speculative attention on bid hopes and moved between extremes of 138p and 130p before closing a net 2 higher on bid hopes at 134p. B and Q Retail revived with a rise of 3 1/2 to 101p and Status Discount edged 7 to 83p. Following the previous day's 22m share-placing, dealing in NPI Furniture were resumed at 78p and, after a reasonable trade the close was 80p. Home Charm remained friendly at 156p, down 8, while Walls fell 6 to 66p and Vantage lost 4 to 113p. Among the dull leaders, British Home, at 250p, gave up a penny of the previous day's rise of 10 which followed the better-than-expected interim results at 100p. Speculative interest softened a small amount to 100p. Gussies A dipped 6 to 386p.

EMI moved up 5 to 131p on hopes of a better bid than Thomson's share-exchange offer, which is currently worth around 133p per share with a letter closing unaltered yesterday at 382p. Suggestions that Bank Organisation could be a possible counter-bidder depressed the latter, down 10 at a 1979 low of 198p. GEC eased to 368p before closing a lower on balance at 361p. Elsewhere, speculative secondary issues revived on rationalisation hopes. Revived that of a bid, possibly from Racal, inspired demand for Decca issues and the ordinary settled 30 higher at 355p, with the A 20 better at 330p. Weak recent activity disappointed with Tyco Laboratories' acquisition of a near 10 per cent stake, Mulhead rebounded 14 to 268p.

Hawker Siddeley closed a shade harder at 176p following bi-yearly results in line with market expectations, but other leading Engineering issues continued on

a slightly easier bias. Tubes gave up 4 more at 266p and GKN eased a few pence to 265p. Elsewhere, Adwised provided one of the few features, closing 12 to the good at 418p on speculation about the Royal Electronic's holding in the company Birmingham Mint came to life with a rise of 8 to 178p, while Spencer Gears responded to the preliminary results by rising a penny to 22p. In contrast, APV weakened 6 to 170p and Ash and Lacy 4 to 189p. Further declines occurred in left Staveley down 2 more at 220p,

186p, and National Carbonising improved 2 to 94p, after 85p. Elsewhere, reflecting Rhodesian settlement hopes, Stocklake rose 3 to 92p. Revised bid speculation prompted a similar improvement to 188p in Ertal. Second-half recovery hopes helped Marshalls Universal pick up 4 to 142p but Platinum closed 1 1/2 down at 15p, after 14 1/2, following the interim profits contraction. Norman Hay softened a penny to 52p for a 188p in Ertal. Further declines occurred in left Staveley down 2 more at 220p,



Brooks Bond firmed 2 1/2 to 47p in response to annual profits in excess of market estimates. Tate and Lyle hardened 2 to 166p; an agreement for the sale of the third and final part of bulk carrier in its sugar fleet was announced yesterday. Elsewhere in Foods, Linfeed attracted buyers and added 6 to 171p, but Unigate came on offer and shed 4 to 109p. Associated Biscuit improved 3 to 89p and United Biscuits hardened a penny to 81p. The Board's warning of a considerable reduction in half-yearly profits left Barker and Dobson 1 cheaper at 15p, while speculative counter Bernard Matthews dipped 10 to 322p on profit-taking.

New-time interest prompted a gain of 7 to 186p in Ladbroke.

I. C. Gas firm
North Sea oil orientated issues claimed most of the attention in miscellaneous industrials. Bolstered by the prevailing firm and active performance of the oil share market, I. C. Gas was supported up to 617p, for a gain of 19 on the day, while Cavendish put on 8 fresh to 165p, after

the disappointing interim results. Reflecting the long drawn-out television dispute, Granada A gave up 5 to 154p, while ICL rose 5 to 448p and De La Rue receded 10 to 525p. Comment on the poor half-yearly figures left Wigley 2 cheaper at 60p. Among the quietly dull leaders, Unilever lost 8 to 514p and Metal Box gave up 4 to 288p.

Persistent selling in a thin market after the annual results left Saga Holidays 10 down at 135p, after 130p. Westminster, however, added 2 to 36p in response to its preliminary statement.

Dealing in Belfast distributors Charles Harst, suspended at the company's request on October 5 at 85p, are expected to resume this morning sharply lower following the announcement that bid talks with unnamed parties have been terminated. CGSB, awaiting developments in a similar situation, eased a couple of pence in sympathy to 36p, while Calfans gave up 7 to 125p after the company's denial of any takeover. Other Distributors also displayed a dull appearance although little selling was

apparent. Glanfield Lawrence fell 5 to 59p, while F. G. Gates, 39p, and Healey, 107p, both eased 3. T. C. Harrison slipped 2 to 79p on further consideration of Wednesday's first-half statement. Following the chairman's recent comments on the adverse effects of the engineering dispute, York Trailer shed 2 more to 44p.

Dull initially on the diminishing returns owing to the TV dispute, early advertising issues lower. Saatchi and Saatchi eased 3 to 131p, while Gordon and Gotch dipped 6 to 91p.

Business in Properties was moderate, but some speculation. Great Portland Estates and Ferry Hamble shed 6 pence each to 217p and 154p respectively. Profit-taking clipped 10 from current bid favourite Bernard Sunley, at 590, while the annual Shop Property 3 cheaper at 90p. City of Aberdeen Land improved 2 to 217p, after 200p, following the preliminary statement.

LONDON TRADED OPTIONS

Table with columns for Option, Ex's Closing price, Vol., Closing offer, Vol., Equity close. Lists various options like BP, Shell, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Sortes, Vol., Oct., Last, Jan., Last, April, Last, Stock. Lists various European options like ANZ, F, etc.

COMPANY NOTICES

ALEXANDER FUND
Notice of Extraordinary General Meeting
Notice is hereby given that an Extraordinary General Meeting of Shareholders of Alexander Fund a limited company incorporated under the laws of the Grand Duchy of Luxembourg will be held at the offices of KPMG, 10, rue de la Loi, Luxembourg, on Friday, 26th October 1979, for the following purposes:

NEW HIGHS AND LOWS FOR 1979

Table listing new highs and lows for 1979 for various companies like BURNWOOD, ARCLIFE, etc.

NEW HIGHS (30)

Table listing new highs for 30 companies like BURNWOOD, ARCLIFE, etc.

NEW LOWS (28)

Table listing new lows for 28 companies like U.S.M.C., BANK OF MONTREAL, etc.

RISES AND FALLS YESTERDAY

Table showing rises and falls yesterday for various sectors like British Pems, Finance, etc.

OPTIONS

DEALING DATES
First Last For
Deal Declara- Settling
ings tion ment
Oct. 15 Oct. 26 Jan. 24 Feb. 4

ACTIVE STOCKS

Table listing active stocks with columns for Denomina, No, Closing, Change, 1979, 1979.

RECENT ISSUES

Table listing recent issues with columns for Issue Price, Latest, High, Low, Stock.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue Price, Latest, High, Low, Stock.

"RIGHTS" OFFERS

Table listing rights offers with columns for Issue Price, Latest, High, Low, Stock.

RISES AND FALLS YESTERDAY

Table showing rises and falls yesterday for various sectors like British Pems, Finance, etc.

FINANCIAL TIMES STOCK INDICES

Table showing financial times stock indices for Government Secs, Fixed Int., Industrial, Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY

Table showing highs and lows and S.E. activity for Govt. Secs, Fixed Int., Ind. Ord., Gold Mines, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Large table showing equity groups and sub-sections with columns for Thurs, Oct. 18, 1979, and various indices.

FIXED INTEREST PRICE INDICES

Table showing fixed interest price indices with columns for Thurs, Oct. 18, 1979, and various indices.

FIXED INTEREST YIELDS

Table showing fixed interest yields with columns for Thurs, Oct. 18, 1979, and various indices.

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs., Friends' Provid. Unit Trst. Mgrs., and others, including their names, addresses, and financial details.

Mutual Unit Trust Managers

Table listing mutual unit trust managers and their associated funds, such as National and Commercial, National Provident Inv. Mngs., and others.

Ridgefield Management Ltd.

Table listing Ridgefield Management Ltd. funds, including Ridgefield Asset Management, Ridgefield Growth, and others.

Schlesinger Trust Mngs.-cont.

Table listing Schlesinger Trust Mngs. funds, including Property Shares, U.K. Gov. Bonds, and others.

OFFSHORE & O'SEAS FUNDS

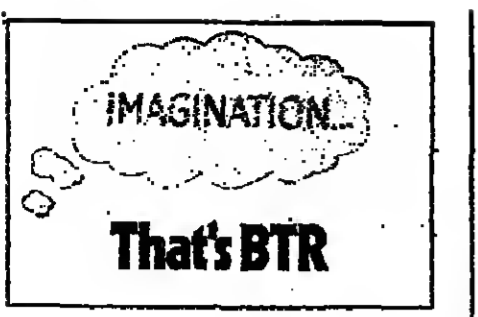
Table listing offshore and overseas funds, including Alexander Fund, Allow Harvey, and others.

INSURANCE & PROPERTY FUNDS

Table listing insurance and property funds, including Abbey Life Assurance Co. Ltd., London Life Assurance Co. Ltd., and others.

NOTES: Prices do not include S premium, unless otherwise indicated. All figures are in pence unless otherwise indicated.

Prices do not include S premium, unless otherwise indicated. All figures are in pence unless otherwise indicated.



# FT SHARE INFORMATION SERVICE

## FOREIGN BONDS & RAILS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Antofagasta Ry.	37	11.1	11.1	11.1
100	98	De. Sp. Prct.	45	11.1	11.1	11.1
100	98	De. Sp. Prct.	45	11.1	11.1	11.1

## AMERICANS

High	Low	Stock	Price	Yield	Div	Yield
100	98	ASA	34	11.1	11.1	11.1
100	98	AMF 5% Conv. 87	100	11.1	11.1	11.1
100	98	AMF 5% Conv. 87	100	11.1	11.1	11.1

## CANADIANS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Alcan	37	11.1	11.1	11.1
100	98	Bank of Montreal	37	11.1	11.1	11.1
100	98	Bank of Montreal	37	11.1	11.1	11.1

## BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Yield	Div	Yield
100	98	ANZ 5%	100	11.1	11.1	11.1
100	98	ANZ 5%	100	11.1	11.1	11.1
100	98	ANZ 5%	100	11.1	11.1	11.1

## BANKS & HP—Continued

High	Low	Stock	Price	Yield	Div	Yield
100	98	Bank of Montreal	37	11.1	11.1	11.1
100	98	Bank of Montreal	37	11.1	11.1	11.1
100	98	Bank of Montreal	37	11.1	11.1	11.1

## BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## COMMONWEALTH & AFRICAN LOANS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## CHEMICALS, PLASTICS—Cont.

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## DRAPERY AND STORES

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## ELECTRICALS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## CHEMICALS, PLASTICS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## ENGINEERING—Continued

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## ENGINEERING MACHINE TOOLS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## WATER AND CATERERS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## INDUSTRIALS (Misc.)

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## INDUSTRIALS (Misc.)

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## INDUSTRIALS (Misc.)

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## BRITISH FUNDS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## Over Fifteen Years

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## Over Fifteen Years

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## Undated

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## INTERNATIONAL BANK

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## CORPORATION LOANS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## LOANS

High	Low	Stock	Price	Yield	Div	Yield
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1
100	98	Amstel	37	11.1	11.1	11.1

## FINANCIAL TIMES

**FINANCIAL TIMES**  
PUBLISHED IN LONDON & FRANKFURT  
Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4A 3DF  
Tel: Editorial 8954871. Advertisements: 885033. Telegrams: Financial Times, London.  
Telephone: 01-248 8000.  
Frankfurt Office: The Financial Times (Europe) Ltd., Frankfurter 68-72, 6000 Frankfurt-am-Main 1.  
Tel: Editorial 416522. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 3.  
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Urge your M.P. to support Peter Fry's bill for reform of the 1876 Cruelty to Animals Act.



BELL'S SCOTCH WHISKY BELL'S

No change in MLR likely at present

By Peter Riddell, Economics Correspondent. THE PACE of monetary expansion has slackened over the last couple of months...

Chrysler UK strike ends after vote

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

WORKERS AT Chrysler's UK Stoke engine plant in Coventry defied their shop stewards yesterday and voted decisively to end their 15-week strike.

The 3,100 employees, who were demanding a wage rise of more than 20 per cent, will return on Monday without an improvement in the company's original pay offer.

motive secretary for the TGWU, said that the company "would not budge" from its original 50 per cent offer.

"I am not here to see thousands of people out of work and the dereliction of Coventry," he said.

Senior managers from Iran National have been visiting Continental manufacturers looking for alternative suppliers.

not be "starved" into accepting "an offensive and insulting package."

Chrysler management has not shifted from its position that improved earnings must be financed through higher productivity.

News of the strike collapse came as a relief because Stoke, an important supplier of engines and components, is central to Chrysler UK operations.

More than 7,000 workers have been laid off for two months at Linwood, Scotland, where assembly of Avenger and Sunbeam models is at a standstill.

The dispute has caused considerable bitterness among the Stoke workforce, which divided 60:40 on a show of hands yesterday.

TGWU to fight lorry cab device

By Nick Garnett, Labour Staff

COMMERCIAL VEHICLE drivers employed throughout Britain are being recommended to begin an immediate ban on overtime and rest-day working and to impose a series of one-day weekly strikes in protest at proposed regulations on the tachograph.

The recommendation was made yesterday by the Transport and General Workers' Union's road transport commercial group to its regions.

The recommendation applies to all Transport and General drivers, including those working for manufacturing industry and the "hire and reward" haulage sector.

All other unions with lorry driver members, including the National Union of Railwaysmen, which has drivers in the nationalised sector, the United Road Transport Union and the General and Municipal Workers' Union, are being asked to follow the recommendation.

Mr. Jack Ashwell, TGWU national secretary, said the strikes, probably to be staged on Mondays, were likely to start at the beginning of next month.

It is unclear how much support the recommendation will receive—particularly in those companies where the drivers are used to being paid for large amounts of overtime.

In some sectors, overtime payments are guaranteed, although work is expected to be curtailed by the extra hours. The response is likely to vary from region to region.

The Government has announced proposals to have tachographs—vehicle and driver performance recorders—introduced in lorries over 3.5 tonnes gross weight in a two-year phasing-in period from the end of this year.

Some national union officials have indicated that they feel they cannot prevent the introduction of the tachograph, which records such details as speeds and stopping times.

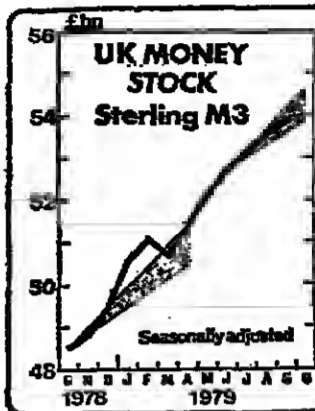
Mr. Ashwell said yesterday, however, that the commercial transport group had reiterated "its opposition to the use of this instrument on domestic operations."

The Road Haulage Association, the industry's biggest employer body, has told the Government that a five-year phasing-in period should be the essential minimum. The association has also expressed concern over the cost of tachograph installation.

THE LEX COLUMN

Putting over the money message

Index fell 2.2 to 470.1



The Government will not budge in its aim of a progressive reduction in the rate of growth of the money supply. But if the implications are not widely understood and accepted there could be a severe financial squeeze.

Those are the main points from last night's Mansion House speeches on which the financial markets will have to ponder this morning.

The Lord Mayor's dinner has come at a time when the authorities appear to be gaining the upper hand in the monetary battle.

The rise of 0.6 per cent in sterling M3 for the September banking month has brought this measure of the money supply well within the target range for the four-month period to mid-October.

sterling M3 has still risen by more than 12 per cent over the past 12 months, and allowing for disinflation—the increase in bank acceptances held outside the banking system has been nearly £1bn in the past four months—it is not clear that monetary policy has so far been at all severely restrictive.

The City has yet to find out what happened when the irresistible force meets the immovable object.

Hawker Siddeley Acquisitions have brought about £7m net of finance costs into Hawker Siddeley's half-year figures, and its companies in Canada, Australia and South Africa have contributed an extra £6m or more as well.

The main weakness has been in the industrial diesel companies, where volume has in some cases been running at about half last year's level.

Potential customers have been put off by the oil scare, and in addition Hawker has been particularly hit by market upsets in Iran, Iraq, and Nigeria.

Group exports in the half year are down in sterling terms despite inflation and a higher level of completions on turnkey contracts.

Elsewhere the electrical companies have done quite well, apart from those on the switchgear and generating side, and the recent acquisitions have generally shown progress.

But although there are hopes that the decline in orders for industrial diesels has started to level out, the profits outlook for the short term is not very bright.

The engineering strike must have cost several million pounds, and pre-tax profits for the year could drop from £118m to, say, £105m.

The fall will be steeper at the earnings level, because the minority interest is being much inflated by the bigger contribution from Canada and the Carlton acquisition.

Overseas profits were hit by the fall of £3.4m because of the strength of sterling but the main reason for the sharp decline was the effect of lower tea prices.

However, the shares, at 47p, yield a comfortable 10.8 per cent, two fifths of the profits now originate in the UK, and its balance sheet is stronger than that of most other companies on a similar yield.

are down in sterling terms despite inflation and a higher level of completions on turnkey contracts.

There have been between 2,000 and 3,000 redundancies in the UK this year, and the diesel side has taken the brunt.

Elsewhere the electrical companies have done quite well, apart from those on the switchgear and generating side, and the recent acquisitions have generally shown progress.

But although there are hopes that the decline in orders for industrial diesels has started to level out, the profits outlook for the short term is not very bright.

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Union confusion over BL ballot

BY ARTHUR SMITH

THE UNION attitude to the proposed ballot of the BL workforce was thrown into confusion last night by the decision of a committee set up by the Confederation of Shipbuilding and Engineering Unions to fight redundancies.

The confederation is "strongly recommending" the 164,000-strong workforce to approve rationalisation plans which include plant closures.

But the emergency committee—established by the confederation to assess shop floor reaction—yesterday came out in favour of urging workers to vote against the proposals.

Mr. Ken Cure, executive member of the Amalgamated Union of Engineering Workers, and five other unions abstained from the emergency committee resolution.

The problem has been caused by the Transport and General Workers Union decision to break ranks with the 16 other unions within the confederation and oppose the strategy of Sir Michael Edwards, BL chairman.

The transport union, which has a strong representation on the emergency committee, has made clear it will oppose what it believes are the weaknesses of the company plan.

While many other union leaders share the TGWU's distaste for the size of the cuts, they are not willing to risk putting the company's future in danger.

Sir Michael has stressed he will not seek further State aid unless he can get substantial support from the workforce for his strategy.

While the shop stewards movement can be expected to mount a militant campaign, most union leaders believe Sir Michael will achieve a comfortable majority.

Many workers seem likely to be tempted by redundancy payments. The only real test so far of shop floor opinion has been at the Park Royal bus factory, where 650 workers have already agreed redundancy terms.

The ballot will be conducted on a company-wide basis rather than through individual plants. Voting forms coupled with a company document drawing attention to support from the confederation will be sent to workers' homes by the weekend.

The ballot, supervised by the Electoral Reform Society, should be completed within two weeks.

Chrysler 'may collapse' without Washington aid

BY IAN HARGREAVES IN WASHINGTON

CHRYSLER launched the final public round in its fight for survival yesterday with a blunt statement that without U.S. Government aid the entire company would collapse.

The company pointed to growing nervousness among its bankers, and said it needed Congressional approval for a new, scaled-down aid package by the end of this year.

Mr. Lee Iacocca, chairman of the third biggest U.S. car-maker, told a Congressional committee that Chrysler could not possibly be reorganised through normal bankruptcy procedures, the means advocated by other industry leaders.

Mr. Iacocca, in a sometimes angry series of exchanges, said that if Chrysler was forced into this course there would be a rapid "domino effect" among creditors.

The whole Chrysler organisation would be paralysed within weeks.

He spoke a few hours after giving the Treasury a modified plan calling for Federal loan guarantees totalling \$750m.

This is \$450m less than Chrysler asked earlier this summer, in what Mr. Iacocca still referred to yesterday as the company's "optimum plan."

Chrysler now proposes that it raise this extra \$450m by selling additional assets and pressing its banks for extra support. There were "substantial risks" in doing this, but it could be achieved with "extraordinary effort."

"The importance of the money guarantees is almost overshadowed by the importance of the Government's vote of confidence needed to keep our present creditors in line," he said.

The company's U.S. bankers were starting to get nervous, he said, and the same nervousness had been shown earlier this week when a group of Japanese bank said they were cutting off credit lines to cover Chrysler's import of Mitsubishi cars.

"No one wants to get out ahead in a situation like this," he said.

Federal assistance must be approved by Congress before New Year if Chrysler was to "maintain its vital product development work for the mid-1980s."

"The situation is getting worse rather than better," said Mr. Iacocca, referring in particular to the recent rise in interest rates caused by the Federal Reserve's tighter money supply policy.

Increase in Iraq oil price

IRAQ HAS raised the prices of all the varieties of oil it produces, but has kept within the \$23.50 ceiling laid down for the second half of 1979 by the Organisation of Petroleum Exporting Countries.

The new rates will be effective from October 20. The highest, at \$23.50 is for Kirkuk oil pumped to the Mediterranean terminals at Baniyas and Tripoli. This is the country's richest crude in terms of quality and availability.

An adjustment of Iraqi prices was considered inevitable, following the increases announced by Kuwait, Iran and Libya over the past two weeks.

Iran bans executions

BY ANDREW WHITLEY

AYATOLLAH KHOMENI, the Iranian revolutionary leader, has ordered a halt to all executions until further notice, it was disclosed yesterday.

More than 600 people are known to have been shot by firing squads in the past eight months, with many more believed to have died unannounced in prison.

The move is the culmination of efforts over the past week to bring the revolution under control. But well-informed Iranians cast considerable doubt on its chances of success, arguing that factions within the ruling clergy are virtually ignoring Khomenei's directives.

The order to stop the executions decreed by religious courts for political and moral offences was issued by the Islamic Revolutionary Prosecu-

tor's office in Tehran. A spokesman said it was already in force in the capital and a similar order would be sent to the notoriously feckless provincial courts.

However, a more moderate faction within the Moslem clergy led by Ayatollah Khomenei's son Ahmad has recently been talking a strong stand in public against some of the excesses of the others.

on executions, appeals were made for tighter curbs on the activities of independent-minded committees, the local security bands spawned by the revolution.

The indications yesterday were that rivalries around Ayatollah Khomenei may well be developing into a full-scale power struggle.

Howe seeks bank chiefs' aid

He said: If we do not defeat inflation now, because the treatment is unpalatable, it will be worse tomorrow.

Mr. Richardson particularly stressed that if wage increases were large, and unmatched by increases in productivity, profits will be reduced further and recession hastened.

Following the collapse of incomes policy last winter and faster inflation it was "essential to hold firm to our monetary policy."

He specifically replied to those who blamed the monetary authorities for the pressure produced by monetary discipline.

"A central banker is surely entitled to ask precisely where lies the cause of any sense of monetary tightness in an economy whose output is not growing in volume terms, but where money supply is rising about 10 per cent.

"If the escalation of costs could be held within sane bounds, such monetary growth would provide ample room for real growth and improvements in real living standards."

Neither speech contained any new indications about economic policy, partly because decisions have yet to be taken about the

rolling over of the monetary target, possible changes in the system of monetary control or about medium-term financial plans.

Sir Geoffrey did, however, reiterate the Government's commitment to "the progressive dismantling of the exchange control regime. Further steps will be taken as soon as I judge that the circumstances are appropriate."

He also confirmed that the Government's plans on public expenditure for next year (1980-81) will be announced in a White Paper shortly after Parliament resumes.

Weather

UK TODAY

CLOUDY and some drizzle later. Becoming drier and brighter later.

London, S.E., S.W. and Cent. S. England, E. Anglia, E. Midlands Cloudy, some drizzle. Drier and brighter later. Max. 16C (61F).

W. Midlands, Wales, N. and E. England Sunny intervals and showers. Max. 14C (57F).

Cent. S. and S. Scotland, Isle of Man and Ulster Sunny intervals and heavy showers. Max. 12C (54F).

N. E. Scotland, Cent. Highlands, Orkney, Shetland Showers and some bright intervals. Max. 11C (52F).

Outlook: Sunny intervals. Rain later.

WORLDWIDE

Table with columns for location, temperature, and weather conditions. Locations include Algiers, Athens, Beijing, Bombay, Buenos Aires, etc.

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